CHRISTMAS EDITION

THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

December 20, 1947

THE TUTELAGE ERA ENDS

AN EDITORIAL

Indonesia And The Chinese

Pao Tsu-yu

World Cartels Reviving?

J. R. Kaim

China's Post Office Progresses

Hsieh Ching-an

THE ROAD TO WAR

AN EDITORIAL

VOLUME 108 CNC$15,000 NUMBER 3

固得力

橡膠領袖

新到 全滬僅有之加重卡車輪胎

使用加拿大福特，雪佛蘭，道奇 T234 卡車之佳音

11.00-20 12 PLY

8.-25-20 10 PLY

9.00-16 8 PLY

用耐固堅 良精料質

速從購欲 限有貨到

Sole Distributors:

貿華

THE CHINA MERCANTILE CO., LTD.

97 Yuen Ming Yuen Road P. O. Box 476

SHANGHAI (O)

Merry Christmas

WE SELL

Parker "51"
Eversharp
Waterman
Sheaffers &
Various Automatic
Pencils

Your Name Engraved Free

THE SHANGHAI FOUNTAIN PEN CO.

152 Honan Rd. (Cenrtral) (11)

Tels. 16069, 14432.

Trans-Pacific Air Cargo

Cheapest Rates---Fastest Service

SHANGHAI TO SAN FRANCISCO & VICE VERSA

Up to 100 lbs.	**US$2.10** per lb.
Over 100 lbs.	**US$1.80** per lb.

SHANGHAI TO NEW YORK AND VICE VERSA

Per 100 Per lb.	**US$2.35** per lb.
Over 100 lbs.	**US$2.07** per lb.

FOR INFORMATION

Telephone

13450 Ext. 31
12560 Ext. 86

PHILIPPINE AIR LINES INC.

The much sought companion on all occasions
CAPSTAN
CIGARETTES
MEDIUM STRENGTH
CAPSTAN
Navy Cut
CIGARETTES
W. D. & H. O. WILLS, BRISTOL & LONDON
CAPSTAN
NAVY CUT

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Mandated Taiwan

To The Editor:

Mr. D. Y. Lanne's "The Kuomintang in Taiwan" (the *Review*, Nov. 15), is most interesting. "There is no process of law or justice for political dissenters. They are hunted like beasts and the police are prosecutor, jury, judge and hangman."

Chinese Gestapo after all have inherited everything from the Mikado's Kempeitai. I would add that Formosa's Mainland police are also administrators of tortures. Few thus treated have any chance to tell tales. Still there are persons lucky enough to escape and come here to disclose their experiences.

It is also interesting to note that many of the Kempeitai's helpers in the occupation days in Hongkong are now with the Kuomintang's secret police in Taiwan. An "admiral" who aided the Japs to violate the neutrality of Macao by capturing the S. S. Sai On is now in the Kuomintang service in Taipeh. Another, the man who succeeded Peter Sin as Chief of Hongkong's Central District, a most notorious spy who sold out hundreds of allied agents to the Japs, is understood to be the chief of a certain C. C. secret service section in Taiwan.

One can imagine how things go on in the island.

A group of enlightened Formosan liberals in Hongkong have been asking the United Nations for a mandated Formosa. Its leaders were educated in America.

Both the Kuomintang and Communists are against such a movement. For days Hongkong's vernacular press, neither pro-Red nor pro-Chiang, have been spreading anti-American propaganda by condemning Formosans who petitioned for a mandated system as traitors.

In their heart of hearts most Formosans and Chinese are for such a mandate. The Kuomintang is against it because Formosa is a good spot for reviving Hitlerite terrorism. The Communists are against it because Joseph Stalin does not want it.

However it would be an illusion for Henry Luce or General Marshall to hold that by tolerating the anti-American terroristic regime in Taiwan, anti-Comintern hysteria can be cured once for all.

Dr. Wei Tao-min's regime may be purely a bunch of office seekers and political opportunists, who by accident have acquired the reputation of being adherents of the Soong gang, headed by T. V. Soong, who is known as pro-American. It does not, however, follow that Dr. Wei's government is doing all well, in the interests of America.

Hongkong's vernacular papers reported prominently that Taiwan's government has been sending goods to French Indo-China. It is quite natural as Dr. Wei, his wife, his secretary-general and all of his clique in Nanking were educated in France. Dear editor, do you realize what that implies? The Communists are very powerful in the French government. In French Indo-China, pro-Stalinist Frenchmen are so powerful that even Ho Chi-minh is denounced as a Trotskyite and reactionary. Soon French Indo-China may be presented as an anti-American base for the Russians by the French Bolsheviks.

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
Fang Fu-an, *Financial Editor*

Assistant Editors

Marion Barney
Elizabeth Purcell
Yang Chen-fang
Helen Sun

Contributing Editors

Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Leo Rissin
J. R. Kaim
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart

F. K. Chao, *Business Manager*

Correspondents

Jefferson Cath — *Canton*
Van Shih-ching — *Chengchow*
Tong Chun-cho — *Chengtu*
Chen Fu-sheng — *Foochow*
Duncan Lee — *Honan*
Mark M. Lu — *Kaifeng*
Helen P. F. Shih — *Kunming*
Joseph I. C. Luan — *Shantung*
S. E. Shifrin — *Tientsin*
Lauw Thian-hok — *Batavia*
Harin Shah — *Bombay*
C. Y. Hsieh — *London*
Joseph P. Lyford — *New York*
Jacques Decaux — *Paris*
David Conde — *San Francisco*
Ngiam Tong Fatt — *Singapore*
Hugh Deane — *Tokyo*

Chen Pang-cheng, *Circulation Manager*

Index for December 20, 1947

Editorial Paragraphs

The Tutelage Era Ends 73
Bureaucratic Speculator 74
The Road To War 74
Anti-Spitting Campaign 75
Christmas, 1947 76
Economy Of Scarcity 76
The Scrap Deal 76

Special Articles

American Aid To China ..... *Amos Wong* 78
Anti-Communist Front Organized In Japan ..... *Hugh Deane* 80
China's Post Office Progresses ..... *Joseph I. C. Luan* 81
Indonesia's Future And The Chinese ..... *Pao Tsu-yu* 83
Open Letter To Mr. Stanley High ..... *C. Q. Mun* 85
Hard Times In Kaifeng ..... *Hsieh Ching-an* 87
T. V. Soong Visits Hongkong ..... *Wang Sze-zee* 89

Economic Section

World Cartels Reviving? ..... *J. R. Kaim* 90

Departments

Letters From The People 65
25 Years Ago 77
Shanghai Market 91
The Week's Business 91
The Review's English Lesson—X 93
What US Papers Say 95
Who's Who In China 95
What Chinese Papers Say 97

Subscription Rates

	3 months CNC$	*6 months* CNC$
Shanghai & China Outports	190,000	380,000
China Outports (airmail)	250,000	500,000
Hongkong	240,000	480,000
Hongkong (airmail)	300,000	600,000
	6 months	*1 year*
U.S.A. and other Foreign Countries	US$5.00	US$9.00

Price per copy: CNC$15,000.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI (O), CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review is copyrighted under certificate of registration 卷 No. 9953 issued by the Ministry of Interior. Registered with Ministry of Interior of the National Government of the Republic of China, under certificate for newspapers No. 京警滬 250.

Shanghai's American Daily— more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

Delivered within Shanghai, CNC$200,000 monthly.

Shanghai "pick-up plan", $180,000 monthly.

By ordinary mail within China, $210,000 monthly.

By airmail within China, $280,000 monthly. (Mail rates subject to change according to postal charges).

The Shanghai Evening Post and Mercury

19 Chung Cheng Road, Shanghai (13).

CONNELL BROS. CO., LTD.

— *Established 1898* —

Importers & Exporters

149 Szechuen Road, Shanghai (O) Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

When the Formosan government, as reported, delivers Taiwanese resources to French Indo-China, it is sending help to the French Communists and therefore to the Soviet Union. As Karl Marx put it, the proletariat knows no nationality. Whatever belongs to French Bolsheviks belongs to the Soviet Union, headed by Comrade Stalin. Whoever sends aid to French Reds sends aid to the Soviet Union and is against the anti-Comintern policy of President Truman, who is advised by Luce, Vandenburg and other Red-baiters.

T. W. YEN.

Hongkong,
December 4, 1947.

Above The Law

Dear Sir:

It seems an unpardonable act of squandering during the period of "austerity" for the newspapers to publish reports about the corruption of officials. The columns are one day taken up by one story of ignominous deeds only to be followed a day later by another statement of flat denial, usually in the most convincing language, from the official under fire. Then all is silence. The authority is satisfied and the public appeased.

One recent instance is the story about Mr. K. T. Ting, the Deputy Inspector General of Customs. The story as reported by some vernacular papers goes briefly as follows:—

On November 6, when the s.s. Tjitjilenka was due in Shanghai, Mr. Ting went on board personally to meet his friend Huang Yu-ih, general manager of the China South Sea Bank, on his arrival from Hongkong. Mr. Ting gave verbal instructions to the officer-in-charge that all Huang's luggage, some 80 pieces in all, consisting of trunks and suitcases, were to be passed without examination. The luggage would have safely passed the barrier had not, perchance, one case been broken by coolies while handling it. Mercilessly the contents, all prohibited articles, were strewn upon the ground. Forced to take appropriate measures, the officers detained the remaining luggage, a part of which had already been carried away by Huang. It is estimated that CNC$1,500,000,000 worth of contraband is involved in this case.

The above report was, of course, a great detriment to Mr. Ting's reputation. True or not, it was natural to expect that Mr. Ting would set forth a flat denial and convincing argument. This he did, and did it well. Most Chinese papers published his statement and one English paper on November 14 printed a curt summary of his explanation as follows: "He (Mr. Ting) explained that other than requesting the Customs officers to give Mr. Huang's cargo priority in examination, he did not interfere with the handling of the cargo."

It is all very persuasive. But here is one who sits in the dark corner, bewildered and meditating. It seems to him that there are still points of suspicion which remain unanswered:—

(1) Did it not constitute a breach of good behavior for a high Customs official to meet, during the office hours and in private capacity, his personal friend who arrived at the port on an ocean vessel? It is said that the Commissioner of the Shanghai Customs had earlier issued instructions admonishing his staff, to avoid possible complications in the passing of luggage, not to attend friends on incoming vessels. Is it then the esteemed practice of the Customs that what is prohibitive to the common staff may well be tolerated and enjoyed by the high officials?

(2) Had not Mr. Ting placed himself under a very suspicious circumstances when his friend, a business man, whom he went to meet, brought with him luggage composed of more than 80 trunks

and suitcases containing high valued contraband from Hongkong, a port known for smuggling nowadays?

(3) Did it not trespass upon Mr. Ting's official capacity to give instructions to his subordinates to extend "priority in examination" to Huang's luggage?

(4) Was Mr. Ting so unaware of the rampant smuggling circumstances in the port under the control of the Customs, that he entertained not the slightest doubt about the contents of the exceedingly large number of pieces of luggage carried by his business friend? If he did, as he should, he would not have exposed himself in such a disadvantageous situation, unless he was sure that his instructions of "priority in examination" would carry with them the implied meaning of special facilities, and that the luggage would eventually be passed without examination.

The above is merely an analysis of the apparent movements of Mr. Ting and of the explanation given by him. Such questions at issue are much more serious than the charges upon which his subordinate officers have from time to time been sent to the court. Perhaps, being a high official in the Customs, he stands well above the law and public criticism, for the disciplinary measures of the Chinese government hardly ever reach officials in the higher strata.

The man responsible for the above reminiscences of thought sits back in his dark corner, disheartened and wondering.

A CORNER SQUATTER.

Shanghai,
December 6, 1947.

Untamed Wolf

To The Editor:

I think it is quite proper for Japan to be nicknamed "wolf" by many people. A wolf is greedy and insatiable; Japan is just so. It had been invading China for years till it was defeated in World War II. But it has not been beaten at all. Under the rule of General MacArthur, the wolf is rising up again. MacArthur wants to establish it as a "bastion against Communism," and wants it loyal and obedient to U.S. capitalism. The general must have forgotten the valuable lesson learned from the Pearl Harbor Incident. However, as a faithful allied friend, I would like to remind General MacArthur that Japan is a wolf, cunningness and greediness being its character. A wolf can never be tamed no matter how good and kind his master may be.

TU CHANG CHIH.

Wukang, Hunan,
November 30, 1947.

Ignorant Military

To The Editor:

Weeks ago the nations of the Far East held an education conference at Nanking, whose main purpose was to discuss the problem of how to do away with illiteracy. I would like to tell you some reliable anecdotes about the number one military men of our country to show their ignorance.

Several years ago when I was a freshman in a national university then located at Tsunyi, Kweichow province, a general of the first grade happened to visit this city. In honor of him a meeting was held at which many people, among whom were professors as well as students, expected to hear his war message. The general turned up on the hour and gave his public address. During his speech he digressed from his subject and dwelled upon the functions of new weapons, making a lot of exaggerations, and posing as a scientist. Of course the audience was enraptured. However a professor of our university who is an expert on Einstein's theory of

Pure Silk

ONE GIANT

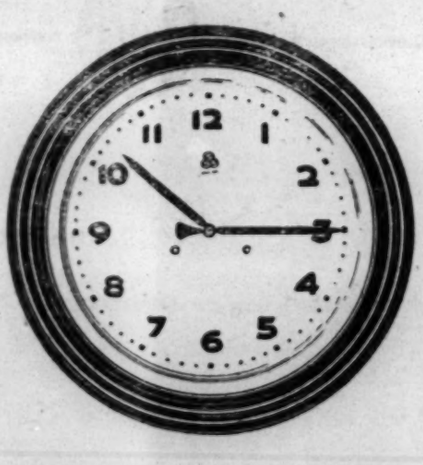
Neckties

OBTAINABLE EVERYWHERE

ONE GIANT NECKTIE FACTORY

Head Office:
10 Gordon Road,
Shanghai
Telephone: 34617

Factory:
4 Tsang Jie Meng Tayy Tarng,
Soochow
Cable Number 2840



5
5 5

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

Relativity felt very annoyed. The innocent professor stood up to correct the lecturer, saying that he had devoted his whole life to physics and so far as he knew the general's remarks about the new weapons were entirely without scientific foundation. The audience was panic stricken to a man. At first the general was taken aback. Nevertheless he soon backed down and pleaded that as he was a military man he did not know much about science.

I was once a petty officer in the army. One memorable day our commander-in-chief gave a ceremonial speech with a paper placed on a desk before him for constant reference. The meeting took place in the open air. When he came to the best part of his speech unhappily a gust of wind sent his paper high in the sky. His confidential secretary stood agape, at a loss to know what to do, while the commander stood stone still on the platform, nonplussed. The latter was not intelligent enough to say something off-hand to get over the dilemma. Instead he cursed the wind and then bolted off the platform. At that critical moment none among the audience dared to laugh audibly but many were in agony smothering their laughter. In foreign countries there are many who are both soldier and scholar combined. In China there are very few such persons, if any at all. Chinese generals are unable to deliver a speech extempore and they have secretaries whose chief duty is to write lectures for them. People think that a certain general is learned because he is voluble of speech. What they do not know is that after his oration he will have to have a rest for a few hours to recover from the fatigue entailed by his reciting the lecture written for him by his secretary.

But these are by no means the worst. In this country there was a general famous for his illiteracy. During the New Life Movement years, one person was quoted as saying: "I am all in favour of the Movement but for one point to which I cannot agree, that is, the regulation about walking in the street. By the regulation all people should go by the left side of the road. If so, what the hell is the right side for?" I am sure nine out of 10 will identify the questioner with that general who was for years the governor of a province and was at last executed because of intrigue with the enemy. Of course it is somewhat doubtful whether the general said such words or not. Yet at any rate this incident serves to show how famous his ignorance has become.

I have never been to America. I wonder if there is any such general in your country.

L. T. Y.

Chiuchow, Chekiang,
November 30, 1947.

Fukien Postscript

To The Editor:

It seems that most Chinese people like to brag loudly without really having accomplished anything at all. After reading the article "Fukien Progresses Under Governor Liu," in the October 25 issue of the *Review*, I felt very dissatisfied, because the description is entirely incompatible with the real situation in Fukien.

The cost of living in Fukien is an high as it was during the Anti-Japanese War. This summer when the draught swept through East Fukien, many people died of starvation; their corpses lying exposed on the roadsides. It was estimated that the number of corpses amounted to 200. This inhuman and dreadful scene would not be found in other countries, I think.

Corruption in Fukien has increased considerately but very few corrupt officials have been condemned. Under such circumstances, the lao pai hsing here are leading a dog's life. I fail to see in Fukien the so-called "achievement" and "progress" praised in the above mentioned article.

Mr. Editor, you are one of the few men in China today with a sense of justice; may I ask you to call our lethargic government's attention to the plight of our innocent people here?

WILLIAM WANG.

Foochow, Fukien,
November 29, 1947.

Lessons Helpful

To The Editor:

Two of my friends in Kangting, finding your esteemed *Review* very interesting, have sent their enrollment as subscribers one week ago. They have found the editorials and sepcial articles interesting, and the *Review's* English Lessons helpful to them in reading newspapers and magazines.

I am sorry to tell you that I shall be leaving Kangting soon and will have a new address. But I am going to write you from time to time.

H. S. L.

Kangting, Sikang,
November 27, 1947.

The Old Days

To The Editor:

I am enclosing herewith an open letter to all friends of mine living in New York City who were the personnel of the former 14th Evacuation Hospital, Northern Area Command, Advance Section, IBT, during the Anti-Japanese War.

* * *

My Dear Friends:

I have been thinking of writing you all the time and feel that no other way

Via CGRA

The worth of a state, in the long run, is the worth of the individuals composing it.

— JOHN STUART MILL.

●

GLOBE WIRELESS LTD.

51 Kwangtung Road
SHANGHAI (O)

Via GLOBE

could be better and more efficient than to have these few lines of mine brought out in the "Letters From the People" columns of the *China Weekly Review*.

I was in the 14th Evac. with you over 20 months; it is quite a long time. However I do not think that you all still remember me so well as then. It makes me feel proud that I had the honor of having served in the United States Medical Corps as a Chinese government interpreter. The longer I stayed with you, the more I loved the job. If I could get a chance like that again someday, I'll never mind being assigned to the Army.

The War sent us, Americans and Chinese, swarming in uniforms everywhere in the CBI Theatre, (later known as the IBT). I can hardly keep out of my memories the 20 months in Assam, India, where we worked, talked and played together. Nor did I forget so easily those wonderful and interesting things—the damned hot weather, the long monsoon, the wide and green plain, the deep virgin forest, the curved Ledo Road, the chattering of the monkeys, the serious malaria of various kinds, the dark brown leeches, the lovely-eyed native babies, etc..... What else do you remember, pals?

Two years ago today, I left the service and began my civilian life again. I was then as cheerful and as crazy as you all were when you received an order of honorable discharge from the Army. You guys liked very much taking a two-week furlough to places worthy of a visit, playing with gals you so easily picked up there. If no such leave was granted, three days' off would do, right? Boys, I know a lot about you, especially what you usually called a "secret" side. Say, how did you like Ceylon? How about Burmese babies?

A short letter like this probably does not make much sense, but anyhow I would like to express my desire in the first place, of getting some information about you, and secondly, I want to tell you that I may come to the States to meet you in the coming year. I've passed the National Examination for ex-inters, and will be sent to your country as a Chinese scholarship student for graduate work at an American university. I am going to mail my university application forms to Princeton or Harvard for admission.

I have got a lot to do down in Shanghai but feel very happy. I shall be glad to read your letters, even a few lines from any of you.

JOHN C. FAY.

Shanghai,
December 5, 1947.

NOTICE

The stamps used to mail this weeks's *Review* are the special stamps issued by the Postal Administration to commemorate the 50th Anniversary of the Inauguration of the Directorate General of Posts, 1896-1946.

The Alarm Rings

To The Editor:

Although certain papers praised the elections and exaggerated their effect, the Chinese people passed the National Assembly Elections day in extreme indifference. The candidates for the elections were, as usual, nominated exclusively by the authorities. Most of them were unpopular, corrupt officials, avaricious landlords, and in some localities, gangsters. Also among the candidates were society stars, concubines of officials or "celebrities," and collaborators once condemned and deprived of civil rights. Who, with even a little political common sense, would vote for such "enemies of the people"?

However, on the part of the candidates, there was much ado about the elections. They adopted the traditional methods of the power-hungry; bribery and other dirty tricks. In cities such as Shanghai, the resident's voting ballots were bought for CNC$100,000 or CNC$150,000 each. In small towns, compulsory voting for certain candidates, robbery of ballots and parthership frauds were a general practice. A notable aspect is that the candidates would rather spend formidable sums of money and indulge in all sorts of immoral means to secure officialdom than make speeches in order to expound their policies. Their purpose is self-evident: to grab back the capital they have invested, when they take the seal of office. How can the forthcoming new government, "with a broadened political base" of this kind, be efficient, uncorrupt and responsible for the missions that China should assume in the arena of international politics?

Being conscious of the foregoing facts, the people were naturally indifferent to the elections. This is especially true of the intellectuals, among whom, one could safely calculate, 95 percent gave up their franchise rights. Among the university and middle school students, who have civil rights, almost none participated in the elections. As for the lower middle class, confronted by acute hardships and the mad rising of commodity prices, they had no time to spare for elections. In the voting booths of Shanghai, the attendance was so poor that the supervisors actually did nothing but read newspapers, smoke and chatter, for hardly a soul appeared to cast a vote. Those who did come to vote were partly paid voters, partly ignorant women and men, the senile and the childish. Some voted many times, for they were paid to do so; some

MANUFACTURERS—EXPORTERS—IMPORTERS

International Distributors

SENECA EXPORT CORPORATION

90 West Street, New York, N.Y., U.S.A.

Metals & Iron—Electrical Equipment—Chemicals—Dyes—Pharmaceuticals—Textiles—Engineering—Marine Equipment—Hardware—Coal

For further information and quotations call or write

FORTUNE TRADERS

316 Chartered Bank Building 18 The Bund—Tel. 18831

SHANGHAI, CHINA

were at sea as to whom to vote for. In such cases, the attendants came to their rescue and inscribed names of their own choosing on the ballots. Some of the voters scribbled on the ballots such jeering phrases as: "Hail to this nullified ballot!", "Big Monkey" and "Mr. Money" etc., to show their contempt for the elections.

The curtain has risen and fallen on this national farce. The people's indifference is the consequence of the unpopular reign. The great alarm bell has begun to ring sonorously.

S. V. WONG.

Shanghai,
December 4, 1947.

Beware Of The Dog

To The Editor:

I read with great amusement the short letter of Mr. Yang Min-shih, appearing in your *Review* of November 29, 1947, and feel sympathetic with Mr. Yang, who, after being a reader of the *Review* for about two years, still thinks it is a Communist leaflet. It is very sad. Evidently two years' reading of the *Review* did him no good at all, and I fear 20 years more would help him very little. For Mr. Yang to continue his subscription is useless, whereas your readers are numerous among the youths throughout the country.

Every conscientious and intelligent reader of the *Review* must be indebted to your enlightenment and impartial views on various domestic as well as foreign problems. In the little span of 30 years since the *Review's* establishment, it has been successful in voicing public opinions and helping our young men to have correct ideas about current events. You have won our highest esteem and sincerest admiration. One of the direct results of your work is that the reservoir of friendship, so satisfactorily built up in the past 100 years between the two great peoples of the United States and China, can still stand without being completely broken, although it is greatly damaged at present by Trumanism and the repeated military loans, which serve no purpose but to prolong and intensify our Civil War, killing hundreds of thousands of our fellow countrymen every day in this wretched land. We can still find a glimpse of the best minds of the States and true American friends in your long-respected *Review*, which always treats us as an independent people on an equal footing, and not simply as means and tools to be used in the blind rivalry for supremacy between our Uncle Sam and Russia.

Anybody who does not sing a chorus of praise to the Civil War, or fails to preach Trumanism, or refrains from urging the American government to assist the Nanking butchers with dollars and munitions, in their endless bloody mission of killing the Chinese people, will be called a Communist by a small group of men, of whom Mr. Yang is a sample. This man reminds me of a medieval Catholic friar, who, shocked by what he saw through the microscope when this scientific instrument was first invented and brought to him, refused to look into it again, and turned away with an exclamation: "This is the Devil's eyepiece." He reminds me also of the famous robber Dao-che (盜跖) in the ancient Chinese legend. The great rascal kept many dogs, big and small which were trained to bark at good and wise men everywhere. The Japs before their unconditional surrender, used a large number of military dogs in this country, too. These were so furious that they could tear human beings to pieces. Most of the dogs were struck to death by our soldiers after V-J Day, for they could be tamed by none but their Japanese masters. Recently, we have learned from newspapers that the tide is turning the same way on the opposite side of the Pacific. Some American commentators have expressed the opinion that if Washington, Jefferson, and Lincoln were living today, they might very likely be held to be non-American and labelled as Communists by such organizations as the Un-American Activities Committee. So you have similar dogs in your home land, and I advise you to take care of them likewise. But never having been in the States, I do not know whether the American dogs can bark with a Chinese tone. Now you have found a Chinese dog which can bark at you in an English voice.

A DEVOTED READER.

Wusih, Kiangsu,
December 8, 1947.

NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

SAVE LIGHTERAGE

Instruct Shippers in the United States to Route Every Shipment

via

Pacific Far East Line, Inc.

AMERICAN PIONEER LINE

All Vessels of These Lines Dock at the K. M. A. ZA WHEI KONG WHARF

SHANGHAI SIDE

United States Lines Company
GENERAL AGENTS

17 THE BUND (O) - - - - - - - TELEPHONE 15067

A Merry Christmas

with

famous

ARISTOCRAT CHOCOLATES

by Bakerite

You have never tasted
CANDY
like this!

ARISTOCRAT CHOCOLATES

are made with dairy fresh cream from our own American formulas. Order several pounds. Send some to your favorite relatives and special friends.

★ *Each Chocolate Named!*

大通銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road (O) Telephone 11440

Branches:

HONGKONG ◁▷ TIENTSIN ◁▷ PARIS

THE NATIONAL CITY BANK

OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANGROAD (O)

TELEPHONE: 11500

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 108 Shanghai, Saturday, December 20, 1947 No. 3

The Tutelage Era Ends

ACCORDING to press reports, China's new constitution will go into effect on December 25 and one-party political tutelage in this country will automatically come to an end, in spite of the fact that the convocation of the recently-elected National Assembly has been postponed until sometime early next spring. The State Council is reported to have already drafted a provisional statutory law that will be effective during the interim period between the expiration of the validity of the Kuomintang's draft constitution and such time as the National Assembly meets to elect China's first constitutional Government.

It is now almost a year since the new constitution was promulgated, and since then there has been much academic discussion as to its contents. Critics charged that it was full of imperfections, contradictions and "undemocratic loopholes," while skeptics and cynics lost no time in predicting that it would become a scrap of paper just like so many other laws of the past. Believing as we do in the policy that half a loaf is better than none, we are inclined to think that the new constitution with all its imperfections is better than no constitution. At least it put down in black and white what the Government and people should do and what they should not do. In other words, both the Government and the people will have some rules to go by.

Since a constitution is a fundamental or "organic law" upon which the government of a nation rests, it is vitally important that it be faithfully implemented in letter and spirit. As is well known, many laws, decrees, regulations and rules which the Government has promulgated have proved dead letters. As a result, the people have become rather skeptical, not without good reason, about the new constitution. So if the constitution is to benefit China, the Government must see to it that it is faithfully observed and put into actual practice.

It is of paramount importance that Nanking set an example for the people, by itself obeying the law, because example teaches better than precept. If the government expects the people to be law-abiding, it must first of all be so itself and refrain from breaking the laws it enacts.

Viewed from this angle, the recent dispute between the Executive Yuan and the Legislative Yuan over increases in postage and tele-communication rates is highly deplorable — all the more so on the eve of the implementation of the new constitution. The trouble originated from the Executive Yuan's arbitrary action in authorizing hikes in postal and telegraph tariffs without the advance approval of the Legislative Yuan as required by the law. It is revealed that the Executive Yuan simply bypassed the Legislative Yuan and submitted the matter to the State Council for approval. One member of the Legislative Yuan described the action of the Executive Yuan as "thoroughly undemocratic," while others openly accused the Executive Yuan of breaking the law. The Legislative Yuan, after a stormy meeting on December 13, announced that the postal and telegraph hikes effective since December 11 will be considered void.

The Control Yuan also took up the cudgels for the Legislative Yuan. According to *Central News*, it censured the action of the Executive Yuan on the ground that the latter has no legal right to readjust postal rates without confirmation of the Legislative Yuan, even though this time it was empowered to do so by the State Council, which, it is stressed, is not a law-making body.

Dr. Wang Yun-wu, Vice President of the Executive Yuan, cut a poor figure when he tried to defend the action of the Executive Yuan on the ground that "it is too much trouble" to fulfil the prescribed legal procedure, which would make it impossible for the Government to make "timely" readjustments to meet the needs of the situation. He further emphasized the point that, as the Government had decided that State-operated enterprises should be self-supporting, the postal and tele-communications departments would suffer heavy losses if no increased revenue was forthcoming. According to press reports, Dr. Wang was shouted and hissed down and told not to talk nonsense.

While we fully understand the pressing need for making the state-operated enterprises self-supporting in order to lessen the Government's heavy financial burden, we can see no justification for the action of the Executive Yuan in bypassing the Legislative Yuan in flagrant violation of established legal procedures. As the Legislative Yuan has pointedly stressed, if the Executive Yuan, the chief executive branch of government, breaks the law, how can it expect the people to be law-abiding. One wonders what the result would be in China if the people, following the example of the Executive Yuan, set the law at nothing and had their own way, on the plea that to obey the law involves "too much trouble."

There has been much editorial comment in Chinese newspapers of late on the absolute necessity for "winning back the confidence of the people." In our opinion, the best way to do so is for the Government to act according to law. Upon this depends the success or failure of China's new constitution.

Bureaucratic Speculator

THE revelation in Washington last week that Edwin W. Pauley, special assistant to the Secretary of the Army, has continued speculating in grain futures and, possibly, other commodities since becoming a government official should give those of us who are continuously pointing out to the Chinese Government and people that the evils of bureaucratic capitalism are peculiar to China pause for thought.

Pauley, a millionaire businessman who visited Shanghai approximately a year ago as President Truman's special representative to investigate the question of reparations, it has been disclosed, held close to US$1,000,000 worth of grain and other commodity "futures" when he accepted the job as special assistant to the Secretary of the Army. While a full investigation of Pauley's activities has not been launched, Pauley himself has admitted that he has engaged in such speculation for years, frequently buying and selling securities, petroleum, petroleum products, rubber, real estate and various other commodities.

Although there is no legal reason why a businessman should not engage in such type activity in America as long as he stays within the laws regulating such dealings, there is certainly every reason why a man holding a high government position should not be a speculator. Obviously, he is almost certain to have inside knowledge of future government plans which would enable him to buy and sell profitably. For instance, Pauley could not help but know what the Army's plans were for future grain purchases to feed occupation zones in Europe and Asia. Further, he would be certain to have full knowledge of the Government's plans for stockpiling critical raw materials such as petroleum, rubber, mineral products, etc. If he held, "futures" or options, or even stocks of such materials he probably could not but help dispose or retain them so as to make the most profit, once he learned of government plans. Another danger of such activities would be that if such a man held large quantities of a certain product he might try to influence government action in a direction calculated to bring him the most profit.

Performance Going On

—Seibel, in The Richmond Times-Dispatch

All in all, the Pauley disclosures smell badly and should make most Americans feel somewhat embarrassed. If nothing else, such disclosures—which are necessary and to some extent inevitable under the democratic system of government—give the Communists much ammunition for their political war against the American form of government. It goes without saying that the best way—and the democratic way—to remove the validity of any such future criticisms from the Communists is to have a little house cleaning in Washington. Flat and unreasoning denials of allegations of "bureaucratic capitalism," "monopoly capitalism," etc. will neither refute the charges nor make them any the less accurate. Investigation and correction, involving public prosecution if necessary, is the only answer.

The Pauley "scandal" is of particular interest to us in that a short time ago we ran a series of articles criticizing the Marshal Plan. In these articles, the author pointed out the dangers inherent in the fact that an abnormally large number of rich and powerful businessmen were involved in the handling of the Plan, as well as in the running of the American Government today. We have heard from several sources since publication of these articles that the casting of such doubts upon the honor and integrity of American officialdom was merely a "Communist device" designed to obscure the issue.

The Pauley case and Republican charges that other "prominent persons" close to the administration have been involved in similar activities would seem to us to prove one of two things: Either the writer of the aforementioned articles made a very shrewd guess or the Republican Party has begun following the Communist Line.

"They're Coming in the Windows . . . ."

"PUKOW-Tsinan Railway In Operation Once Again"—*Headline on Reuter story datelined Tsinan, December* 12.

"Reds Halting Traffic On Peiping-Mukden Railway"—*Headline on Reuter story datelined Tientsin, December* 12.

The Road To War

ALTHOUGH it is common knowledge that the people of the world do not want war—that they will accept a war with extreme reluctance—Washington and Moscow seem determined to pursue a path that is rapidly growing into a full fledged Road to War. There is something almost hypnotic about the manner in which the White House and the Kremlin almost daily make the most absurd assertions as to the other's evil ambitions and their own virtuous intentions. Both claim that they are out to save the world from two things: The present disorder and the evil machinations of the other fellow.

The Marshal Plan rejects the idea of keeping the peace through the UN, or at least through the UN as it was conceived in San Francisco. It further aims at ousting the Communists from the

Well—Start Stopping!

governments, and if possible the countries, of Europe. It is not a plan aimed at cooperation with Russia. While the main excuse for its existence—the great need of Europe—is sound, and while it undoubtedly will do much toward rehabilitating many of the countries of Europe, it also is essentially a weapon aimed at Russia. Its proponents believe—and are doing their best to have us believe—that only by the organization of tremendously overwhelming strength in Europe can we maintain peace. This is an old, old story, almost as old as the history of empires and dynasties. By this assumption the Marshall Plan advocates also go on record as stating that the Russians are the evil disturbers of the peace.

The Kremlin, meanwhile, has come up with its "answer" to the problems of Europe. It is just as dangerous a solution in that it is more or less the reverse of the Marshall Plan. It is based on the assumption of the essential evil of the West. It calls for not only non-cooperation with those favoring the Marshall Plan, but for outright opposition. The Cominform is a direct reply from Moscow, it is Moscow's bid for control of Europe. The stage wherein the Communist parties in Europe were willing to work in cooperation — sometimes in coalition—with other groups seems past. In the countries where they have been strong enough, the Communists have forcibly suppressed the opposition. In other places they have attempted to wrest control.

The sad thing about this struggle is that neither side—as far as we can see—will be able to provide the average man with what he needs and, incidentally, what he has long been promised: A decent life. He will have no freedom, no matter whether he lives under the Marshall Plan or the Moscow Plan. He will have to become a partisan. The Marshall Plan may feed him, but his destiny will increasingly be tied up with the White House and its imperialistic ventures which presumably will for some time to come be sanctified by the designation of defence against the menace of Communism. If he ends up in a Communist run country, he can expect little but hard slavery for masters who would protect him against "those who would enslave him."

UNLESS Washington and Moscow can get together, there seems to be little prospect of avoiding eventual war. The only really hopeful sign at the moment is that neither side can hope to muster much popular support so soon after the recent conflict. In the time required for the people of the world to shake off the memory of the last war and be prepared psychologically and physically for the next one, it is always possible that some method of resolving the problems of Two Worlds may be found. However, from where we sit, the prospects look pretty hopeless.

Anti-Spitting Campaign

FOR years everyone has complained about the unsanitary and, unfortunately, aimless spitting continuously engaged in by the major part of the local populace. Periodically someone has tried to do something about it. Once, during the days of the Shanghai Municipal Council, an irate citizen who had been spat upon from a moving streetcar, succeeded in getting the Council to go on record against spitting, especially spitting from a "moving vehicle."

Successive generations of anti-spitting campaigners—usually foreigners—have pointed out that people in other countries are not forever hacking and spitting all over the place. They use handkerchiefs, it is said. This makes for easier and safer walking and, what's more, the dangers of spreading infection of various respiratory diseases by indiscriminate and wholesale spitting are frequently emphasized in order to impress upon less delicate souls the need for reduced public expectoration.

At the risk of laying ourselves open to the charge of being confirmed obstructionists, we would like to set forth a few points for the anti-spitters to consider. First, most of the population spits, so any program aimed at eradicating this admittedly unpleasant public practice must apply to most of us. Unless one believes that by edict the human body can be made to change its ways, some alternative must be provided.

Handkerchiefs, of course, would be in order. However, we imagine that this will create an entirely new problem, for not only have large sections of the population never become accustomed to this article, but actually do not possess it. First requirement, to our way of thinking, should be the supplying of a few million handkerchiefs to the handkerchiefless population here. From what we have observed, we think that each person should have two handkerchiefs per day. If one figures on a day for washing, each citizen would require a total of about four handkerchiefs to start out with. Assuming that possibly 3,000,000 of the estimated 4,000,000 people in town do not possess handkerchiefs, the initial need will run to about 12,000,000 handkerchiefs which will require a rather large amount of cloth. The only alternative to handkerchiefs we can think of would be some type of paper tissue. However, this is just about as expensive and difficult to obtain here as cotton cloth.

Since the damp "Shanghai type" climate prevails though the entire Yangtze Valley region

and presumably will not change much in the near future, it seems unlikely to us that the human body can be expected to alter its functions so that the "Shanghai Man" will not feel the need to spit.

The anti-spitters are up against a really tough problem. We doubt if anything short of a compulsory education campaign, coupled with the cheap or, preferably, free distribution of handkerchiefs to the populace will do the trick. In any event, we feel sure that CNC$1,500,000,000 won't be enough.

Christmas 1947

EVERY year at this time it is customary to write an editorial on the subject of Christmas. Since the Christian world began marking the birthday of Christ, it has been the practice for people to approach this season with a feeling of reverence and, in accordance with Christ's teachings, a feeling of kindliness toward one's fellow man. Even during World War I the contestants marked Christmas Day by an informal suspension of hostilities. During the last war the season was usuallly marked thus on at least some of the fighting fronts. In Asia, however, this was not the case. The Japanese—General MacArthur's fine new Christian democrats—from the very beginning seemed to take particular delight in running a bombing mission over Allied lines on Christmas.

In the past we have often taken this occasion to recapitulate the year's events and to draw whatever comfort was possible from the concrete achievements and hopeful omens of the past 12 months. This year, we are dispensing with this customary practice, mainly because in China, and in the world at large, there have been pitifully few achievements and precious little in the way of hopeful signs. In China it has been a year marked with increased civil strife and accelerated deterioration politically, economically, socially and spiritually. In the world it has been a year of sparing, a year of the "cold war" between the world's two "great" powers and their respective satellites.

About all we can say is that we have at least finished another year of peace-of-sorts. There is little assurance that we can even say that much this time next year.

Don't Just Sit There—Do Something!

—Shoemaker, in The Chicago News

Economy Of Scarcity

THE current dispute between the Fishery Rehabilitation Administration, an UNRRA sponsored agency, and the local fishing industry is the latest and most glaring example of how narrow-minded and short-sighted a business group can be at times.

Operating on the basis of an economy of scarcity, Shanghai's fishing interests prefer to charge the public an exorbitant price for a scarce commodity than to charge a reasonable price for a plentiful supply of the same product. Employing "catch" phrases such as "national sovereignty," "private enterprise," etc. the local fishing firms are making a determined attempt to prevent the city from securing an adequate supply of fish.

Private fishing interests have set Shanghai's fish quota at 500,000 catties (one catty is approximately one and one-third pounds) per month, which averages out at about *one-eighth catty per month* for each resident. Under this policy of *planned scarcity*, the fishing industry can naturally charge any price it wishes for its product. However, if the Fishery Rehabilitation Administration is allowed to function properly, it alone can bring in an additional 1,000,000 catties per month. Even with this addition, though, the monthly average for each Shanghailander would be less than half a catty—a ridiculously small amount of fish for the population of this coastal city, especially during these days of overall food shortage.

These are the facts and they are all we need to know. No amount of "explanation" about the capacity of the Shanghai Fish Market, the employment of foreign fishermen by UNRRA's fishing agency, or other such irrevelent matters can hide the basic fact that the Shanghai fishing industry represents a vested interest of the worst type.

The Scrap Deal

WHILE there apparently is no cause for serious complaint over the sale of 1,000,000 tons of scrap—originally surplus war material bought by China from the US as part of the surplus property deal—to the Bethlehem Steel Corporation, it has served once again to bring to the public's attention the whole question of surplus property and its disposal.

Although it is easy enough to look back on the surplus sales and, with benefit of hindsight, criticize the method in which they were handled, it admittedly is difficult to say even now how it could have been done in a more satisfactory manner.

At war's end, the United States had virtually covered several islands in the Pacific with trucks, jeeps, guns, food and other supplies destined to support hundreds of thousands of troops scheduled to land in China and Japan. Japan's sudden surrender made these preparations unnecessary. Something had to be done with the material already stockpiled. China and other nations in the Far East, suffering from years of war and blockade, were urgently in need of much of this material. Little of it was needed in America. Also, it was theoretically easier to ship it to the countries of Asia than back to the United States. Another factor was the urgent need to put the material in use. Lying idle on islands where it was exposed to the weather, this equipment deteriorated rapidly. With demobilization beginning in America and a hue and cry raised to "bring the boys home," the US Government made the best deal it could: It sold on credit nearly US$1,000,000,000 worth of surplus property to China, varying amounts to other Far Eastern nations.

The fact that so much of this material has been misused or allowed to rot before being transported is of course regretable. However, we fail to see how it could have been otherwise, unless the US was prepared to keep its troops mobilized and to have directed the distribution of this war material. It would have required maintance of a major section of the US Army and Navy supply organizations for several months following the war's end. Much of the material was totally useless for peacetime use. However, it would have been an almost endless task to have tried to sort it out. Realizing this, the American Government did the simplest and probably the wisest thing: It simply sold the stuff lock, stock and barrel. A few scandals came of this when, months later, Red Cross blood, donated by relatives and friends of servicemen in America was discovered on sale in the Shanghai markets. Likewise, some dangerous drugs, such as morphine—large quantities of which were naturally included among Army Medical Corps supplies—disappeared into illegal drug channels. However, these things were all to be expected and, we think, well nigh unpreventable.

It is naturally regretable that the Chinese Government has not had the funds nor the ability to organize the proper distribution of this material so that it could be put to its best use. However, even a much more efficient and prosperous regime would have had its troubles, we imagine. It now appears that at least 1,000,000 tons have become nothing but scrap and have been sold back to America by China. Probably much more will end up as scrap for US furnaces. If it serves to help relieve the scrap shortage in America, this surplus property will not have been completely wasted, although it does seem a shame when one considers the great need in Asia today and the money, time and skill which went into the making of this particular batch of scrap iron.

25 Years Ago In The *Weekly Review Of The Far East*

Complete Disarmament

December 16, 1922.

AT the conference of the Union of Chambers of Commerce, resolutions were passed asking the co-operation of friendly powers in the following two matters: (1) That the nationals of the friendly powers be requested to ask their respective governments and importing firms to refrain from furnishing any weapons of war or machinery for the manufacturing of munitions to Chinese militarists before the complete disarmament of the country. (2) That the governments and financiers of the several nations be requested not to loan any money other than for constructive purposes, before the complete disarmament of the nation.

* * *

Just And Equal Rights

HON. Charles E. Hughes, Secretary of State of the United States, in an address in New York, gave the following as the guiding principles in the foreign policies of America: "We are not seeking spheres of special political and economic unfluence, and endeavoring to control others for our aggrandizement. We are not seeking special privileges anywhere at the expense of others. Our policies are simple and can be directly stated, We wish to protect the just and equal rights of Americans everywhere in the world. We wish to maintain the equality of commercial opportunity, and, as we call it, the open door. That is not in derogation of anybody else. It is just as open to others as it is to us. Equality means equality. It doesn't mean privilege. We desire to see peaceful settlements. We desire to see economy. We desire to see a world starting again with every people girded to new industry and to accomplishments which aid in the broad co-operation of humanity. Wherever we have had a chance to promote peaceful settlement in this troubled world we have taken it."

10 Years Ago In *The China Weekly Review*

No Protection

December 18, 1937.

PEARL Buck, American missionary girl....doesn't think that Americans have any right to demand the protection of their own government in China. In the course of a recent article in *Asia*, she declared that strong and sensible governments should make it clear to those of its nationals who choose to live and do business abroad, that they must take the risks of those countries to which they go. In her opinion, no home taxpayer can justly be called upon to pay for a guard to protect those who wander outside their country for their own personal satisfactions, either moral or material. Finally she declared that the only civilized and sensible policy, for nations that are determined not to become entangled in foreign wars, is to declare themselves not responsible for their nationals who choose to live or work or travel abroad.

* * *

Kwangtung Head

T. V. Soong, Chairman of the National Economic Council and reputedly one of China's best financial experts, has been selected by the Central Government to serve as Chairman of the Kwangtung Provincial Government, according to Chinese reports. The move was interpreted by political observers in Hongkong as an indication of the Chungking regime's desire to make Kwangtung its financial base. General Wu Teh-chen, the present Governor and former Mayor of Greater Shanghai, will be given a diplomatic post abroad, the reports asserted.

American Aid To China

Amos Wong

IF press accounts are a criterion, the question of American aid to China has been a principal topic of discussion in America and in China during the past few months. This is as it should be. The intelligent people of both countries realize the importance of a continuation of the traditionally friendly relationship between the two countries; also, that this relationship must be continued if the two countries are to prosper, or even survive, during the next 100 years. As a Chinese medical practitioner who is interested primarily in the phenomenon of parturition, it is natural for me to think, and to express my thoughts on any subject, in obstetrical metaphors. Thus, it seems to me that China is in labor, the successful conclusion of which will depend to a great extent upon the aid she will receive from her friend, America.

American Origin

To carry the analogy a bit further it may be maintained with some logic that the product of conception with which China is in labor is American in origin. Certainly, it has been the impact of western forms of civilization on Chinese life for the past 50 years that has been chiefly responsible for the major changes in the sociology of China.

Most intelligent Chinese, I believe, are aware of America's unselfish interest in China, and the recent evidences thereof, the caliber of the men representing the diplomatic interests of America in China being a good example. The ability of General Marshall, who tried so earnestly to bring peace to China is well known. Dr. J. Leighton Stuart, the present Ambassador of America, is the happiest possible choice for this post, for he is in many respects more Chinese than American, and can bring to his tremendous task the point of view gained from long residence in China. Less apparent, but no less an evidence of friendship—are the not so well known men who are working in China for the interests of our two countries. People who think superficially may maintain that to date American aid to China has resulted uniformly in failure, of which the Marshall mission is the best example. I, for one, feel differently. My conviction is that had there been no American aid to China during the past few years, there would not be a single Kuomintang soldier in Manchuria today, and very few, if any, north of the Yellow River. Had it been possible for General Marshall to continue his efforts without interruption, the story of the current war might have been different, though this is doubtful. It seems certain, however, that the betterment of the Kuomintang position in the north will depend upon the level of aid which America can give during the next few months.

Americans Impatient

It seems evident that America is becoming impatient with the slowness of China's progress toward democracy. This is natural, for Americans are an impatient people; but it would seem that many Americans have lost sight entirely of the history of China, and of their own country. It must be remembered that the Chinese civilization, which began to break up very rapidly about 50 years ago, is the oldest civilization of which there is any record. This makes for deep-rooted traditions which do not disappear overnight. The lack of communications and the illiteracy of the people are very effective barriers against change, and the radical changes desired by America and by educated Chinese simply cannot take place rapidly. In any country, one must appraise contemporary events from a long-range point of view. In a similar phase of American history, changes did not take place rapidly. The American Revolution, out of which grew the American way of life with which Chinese of my generation are familiar, required about 100 years. Beginning before the rebellion against British rule, the revolution did not become complete until after the American Civil War, perhaps not until the Spanish-American war brought an affirmation of loyalities to the federal government.

Real Threat

Viewed in this light, were it not for the threat of communism involved, the so-called Civil War in China today is but a small part and conceivably a not too unhealthy part of a great change. But the threat of a Communist government in China is very real. There appears to be no middle course: upon the outcome of this war depends the form of government China will have, probably for many years to come. This war is not a civil war in the ordinary sense, but a war between proponents of world communism and men who hope for the survival of a chance to develop a non-totalitarian, democratic government for China. It should be regarded as the possible beginning of a third world war.

In my view, the current situation in the north is closely analogous to the invasion of Manchuria by the Japanese, which may be regarded as the beginning of the second world war. It would be a pity for the rest of the world to be fooled again as it apparently was at that time. If the war in the north is lost by the Kuomintang forces, China will almost certainly become communist, although this philosophy of government is contrary to every aspect of Chinese life. Communism cannot be isolated in Manchuria; its spread will not stop in North China, or even in China itself. It is backed by the resources of the most potentially powerful country in existence, whose stated policy is to have a world communistic state. Live and let live is alien to Russian thought, to conquer the world is in their blood and they are proceeding toward this goal.

History may not repeat itself but its study often gives a valuable insight into the motivation of current national policies. Shorn of its ideological trappings and viewed in the light of history, the current policies of Russia may be seen to fall into a plan formulated partly by Catherine the Great. This is the domination of Southern Europe and Turkey, the latter particularly, as an outlet for Russian shipping; and the domination of Manchuria and China. Russia has fought four wars with Turkey, the last in 1877-78, with the view of taking Istanbul (Constantinople) as a port. It is interesting to note that with the ascendency of Russian power following the Napoleonic wars, her agents were everywhere and her diplomats assumed increasingly arrogant attitudes in their dealings with other countries. British and French power won the Crimean war of 1854-56 and their influence counteracted the concessions wrung from the Turks after the war of 1877.

Early Example

The occupation of Manchuria by the Russians at the turn of the century and their concessions on the North China coast, gained by war against China, is the most important early example of Russian expansionist policy in the Orient. These gains were wiped out by the Japanese victory in the Russo-Japanese war.

The intervening years have witnessed only the exchange of one form of absolutism in Russia for another and more efficient form; the exchange of limited objectives in their expansionist policy for world domination. It is easy to see that the so-called buffer zones around Russia are getting wider as the months pass—most of eastern and southern Europe is a part of Russia, to all intents and purposes, and how long Italy, Greece and Turkey can remain outside the fold, is a serious question; near us in China we have the examples of inner and outer Mongolia. Manchuria is largely under Communist domination today. The fate of Korea will probably be decided in 1948. Communist agents are active everywhere, even in the United States.

Today Europe no longer has a powerful Britain and France to curtail the expansion of Russian

influence, nor has China a powerful Japan to counteract Russian expansion in the east. The bulwark of defense against world communism is the United States, and China naturally turns toward her for help.

Much has been made of the lack of evidence that the Chinese Communists are receiving active aid from Russia, and the statement is frequently made that the Chinese Communists are not really communists. As to the latter claim, the Kungchangtang spokesmen say that they are communists in the strictest sense of the word and I am ready to believe them. Whether or not they are receiving aid from Russia is a matter of small moment. As a matter of fact they have received plenty of aid from Russia in the form of Japanese equipment. Why should Russia bother to aid a group that is doing very well in carrying out Russia's objectives, when the group doesn't require help?

There is no evidence that communism can be checked short of the application of military forces at some stage of the conflict. There can be no compromise between genuine democracy and communism and any apparent compromise usually represents a play for time by the communists. Now is the time, I feel, for Americans to ask themselves, "Is a pseudo-democratic China better than a Communist China?" It is doubtful that it will be, or can be, or even should try to be, for sometime to come. But there is a chance for progress toward American democratic ideals under the Kuomintang, and I submit that this would be impossible under a Communist government.

The Japanese proved that the Chinese can be subjugated and kept under control by ruthless methods and I believe that the communists would not hesitate to do anything necessary to dominate China.

KMT Pseudo-Democratic

In appealing for aid from America to combat communism, China is in effect appealing for support of the Kuomintang Government and many Americans seem to resent this fact. No one denies that the Kuomintang Government, at best, is only pseudo-democratic; that there is much evidence of corruption, inefficiency, foolish controls and restrictions on foreigners and Chinese alike. It is logical to ask the question, "Is the Chinese race fundamentally dishonest?" As a Chinese, I am proud of my race and believe it to be fundamentally intelligent, sensible, peace-loving and honest. I believe that the current state of political and economic affairs is the result of 20 years of war, of chronically underpaid civil servants and soldiers in whom we should not expect to see the cardinal virtues especially manifest today. The wonder to me is that there is not more evidence of broken morale and morals. And I should like my American friends to remember that the government in China today is the recognized, legal government of China; the very same one that America was glad to have as an ally against Japan; and the same one whose position in Manchuria was imperilled by American and British concessions to Russia, without China's agreement.

Whatever its faults, the Kuomintang government of China should not be condemned unequivocally. Every Government minister is a credit to China and I believe that each is doing his best to improve his ministry. It is illogical to expect a man to make extensive repairs on one side of his house, however badly they may be needed, when the other side is being consumed by flames. Yet China is trying to make repairs in its government and at the same time is trying to put out the flames of communism that threaten to destroy the whole structure of Chinese life.

China needs and expects aid from America. She wants whatever aid is required to do the job at hand, in the form of sympathetic and competent advisors, understanding on the part of leaders of American government, supplies and equipment. China wants no more aid than that being given Greece and other countries for the same purpose.

To return to the original analogy, China is in labor and America has an opportunity to deliver her. What the new child will develop into will require another generation than ours to determine. But it seems evident to me that without American aid a monster will be born.

荷國安達銀行

Nederlandsch Indische Handelsbank, N.V.

(Netherlands India Commercial Bank)

Established in 1863

Cable Address:	26 Chung Shan Rd. (E-I)	Telephone No.
HANDELBANK	(formerly The Bund)	15809

Head Office: Amsterdam, Netherlands.
Sub Offices in the Netherlands:
The Hague and Rotterdam.
Head Office For Indonesia: Batavia.
Branches:
Indonesia: Ampenan, Bandjermasin, Bandoeng, Banjoewanggi*, Cheribon*, Djambi*, Gorontalo*, Makassar, Malang*, Medan, Menado*, Palembang, Passoeroean*, Pekalongan*, Pontianak, Probolinggo, Semarang, Soerabaia, Tandjong Balei*, Tegal*, Telok Betong*, Tjilatjap* and Weltevreden*.
India: Bombay and Calcutta.
China Coast:
Amoy, Hongkong and Shanghai.
The Philippines: Manila.
Malaya: Singapore.
Japan: Kobe and Tokyo
(will be reopened shortly)

London Representative:
85 Gracechurch Street,
London, E C. 3.

New York Representative:
72 Wall Street, New York 5,
N.Y., U.S.A.

(NOT YET REOPENED)*

Anti-Communist Front Organized In Japan

Hugh Deane

(Special Correspondent, The China Weekly Review)

Tokyo, Nov. 28.

THE long projected anti-Communist front has materialized here with the formation of a Council of Anti-Communist Organizations by a score of small ultra-rightist groups and elements of the Liberal and Democratic Parties. It will be officially inaugurated at a public rally in Tokyo on December 14.

The council is the climax to the establishment of a number of local anti-Communist fronts in the prefectures. It initiates action on a national level.

Leader Knifed

One of the principal sponsors of the council is the Shinei Taishuto (New Mass Party), which first came to public notice last January when two of its members knifed labor leader Katsumi Kikunami, 10 days before the abortive general strike.

Ex-Premier Shigeru Yoshida's Liberal Party is represented in the council by the Liberal Club, an extraparliamentary organization of the Party. A Liberal Party spokesman told this correspondent that the party itself is still undecided whether or not to participate in the rally.

Other members in the council include: the youth departments of the Fukuoka branches of the Liberal and Democratic parties, the Young Comrades Association for Nipponism, the Communism Prevention League, the New Japan Youth Party, the Filial Piety Recovery Party, the Chrysanthemum Flag Comrades Association, the Brilliant Japan Young and Middle-aged Comrades Association and the International anti-Communist League.

One of the first moves of the council will be to create a nationwide Anti-Communist Students' League, Yasutoshi Maki, leader of the Shinei Taishuto, told this correspondent in an interview.

He said that liaison between various anti-Communist groups has been already realized and that the Japanese Communist Party has been investigated thoroughly. He exhibited a document which he said contained the names and addresses of "secret Communists."

Maki claimed that his party has grown in strength steadily since the beginning of the year. In addition to 300 registered members, it has a large number of unregistered members and about 100,000 supporters, he said. Many local branches have been established.

Many groups recently have asked to merge with his party, Maki stated. A 1,000-strong branch of the Seinendan (Youth Corps), the official wartime youth organization, offered to join, he said but he accepted only a few of its leaders because he feared leftist infiltration. He explained that while the Seinendan had been officially dissolved, many of its branches have merely transformed themselves into "cultural organizations."

Maki said that many professors and industrialists have joined the Shinei Taishuto but that they are obliged to keep their membership secret.

He said that he could not make public the Party's plans for fighting communism but that they would follow the tactics employed in the recent Inagaki Iron Works incident in Kawaguchi. When a strike broke out in the Inagaki Iron Works, he explained, he himself and several other party members went to Kawaguchi and helped to split the union, obtain the discharge of two Communist officials and end the strike. He did this, he said, "to save the 2,300 factories in Kawaguchi." His party, he said, believes in the "harmony of capital and labor" and aims to transform "red unions" into "white unions."

• • •

THE second volume of the collected works of Eitaro Noro, noted Marxist scholar, has been prohibited from publication by the American censors there. The action is one of many indications of the increased severity of General MacArthur's censorship.

Foremost Analyst

Noro, who died in 1934 at the age of 33, a few months after having been imprisoned by the Japanese thought police, was considered the foremost Marxist analyst of Japanese feudal and modern society. His works were widely acclaimed abroad by both Marxist and non-Marxist critics for their contributions to the study of the rise of Japanese capitalism.

The contents of the suppressed volume were published in leading Japanese periodicals during the 1920's.

The first volume of the collection was published last year by Iwanami Publishing Company, Japan's leading publishing house, and was completely sold out on the day of publication. By the end of the day the book, priced at yen 60, was selling for yen 200 in second hand bookshops.

RADIO, ELECTRICAL, HARDWARE

IMPORTERS AND EXPORTERS

聯美貿易有限公司

LIEN MEI CORPORATION, LTD.

88-89-90 ASTOR HOUSE
43 KIN - SHAN ROAD
SHANGHAI — 5, CHINA
TELEPHONE 42255-EX. 90

China's Postal Department Progress

Joseph I. C. Luan

(Special Correspondent, The China Weekly Review)

IT is an acknowledged fact that of the many Government organizations in China the Post Office Department is the most efficiently run. The contributing factors to this phenomena is the notable absence of corruption and nepotism in its administration. If "serving the public" is the aim of a government organ, the Post Office has endeavored to overcome enormous difficulties in fulfilling that purpose.

The "modern post method" was established in March 20, 1896, and put under the control of the Department of Customs by the Ching government. The second stage of its development was from the founding of the Republic in 1911, to the establishment of the General Office of Posts in Nanking in 1927.

During the latter period it was run by the Northern Government (the militarists) and was a department of the Ministry of Communications, as it is today. Its functions were developed considerably and it began to move towards the modern stage. From the time of the successful Northern Expedition of the Kuomintang, until the outbreak of the Sino-Japanese war, (i.e. from 1927 to 1937,) a program of modernization, broadening of business facilities and widening of administrative jurisdiction was carried out.

However, during the aforementioned three stages, although the people recognized the fact that the Post Office was an admirable organization, a great deal of resentment was felt over its "foreign administration," as the majority of the officials positions were held by foreigners. The result of this feeling in the early period was that the people tended to regard all Postal employees as "foreign devils" or "compradores." But with dismissal of foreign employees during the war, this misconception was ended.

Throughout the past eight-year war, the Post Office spent every effort in serving the people in the interior as well as in Japanese occupied areas, penetrating into dangerous war areas and camps and carrying mail through the enemy's blockade lines. Those years of daring service deserve to be written in the pages of postal history.

Particular attention should be drawn to conditions under which the Post Office carried on in enemy occupied territory. The employees' salaries could at most support only one indivdual. If they had wives or children they were forced to exist on a starvation diet. Some of the minor employees even found it necessary to pull rickshas and do other kinds of manual labor in order to make ends meet. Not a few Post Office employees were tortured, jailed, sent to Manchuria or sentenced to death by the Japanese gendarmerie because they were found guilty of loyalty to their country.

State Of Paralysis

During the war the Post Office's progress was, perforce, seriously hampered. When the war ended, a number of reform projects were suggested, but due to the outbreak of the Civil War and its nationwide repercussions, none of these reforms have been carried out and the Post Office administration is once again in a state of virtual paralysis. Communications have been disrupted, especially in North China and Manchuria; the Communists have denounced and refused to recognize the legal status of the Post Office in "liberated areas; in many instances when Post Office employees have fallen into Communist hands they have been treated as "traitors," and those who are educated are required to acquire a knowledge of Marxist and Leninist doctrines.

According to statistics of the Shantung Head Office, the various classes of postal branch offices total 129, and agencies, 729, in this province. But today, owing to war conditions, only 70 branches and 100 agencies are in operation. The number of delivered letters has been reduced to 65 percent of its prewar monthly record, parcel delivery has been reduced to 43 percent, while remittances and savings are in an abnormal condition also, the Head Office revealed.

Because of its systematic organization and scientific administration, and especially since the adoption of a strict personnel examination system, the Post Office is considered to be the "iron rice bowl" of China. Unlike many other government organizations, anyone who enters the Post Office employ is assured of a lifelong profession, and should he acquit himself favorably in his position, the employee has no fear of being dismissed.

Post Office salaries are comparatively higher than those in other government departments, but even so they have been reduced to 37 percent of their prewar value. The reduction rate is as follows:

Prewar Salaries		Reduced to (per CNC$, Based on COL
From 101-200	(CNC$)	.. 20 cents
From 201-500	„	.. 15 „
Under 100	„	.. 37 „
Over 500	„	.. 10 „

After the promulgation of the Emergency Economic Measures on February 17, 1947, the purpose of which was to cut out all unnecessary expenses, the postal employees' living subsidies were unconditionally "frozen." However, the employees protested, and their union took the matter up with the authorities, with

VITAMINERALS COMPANY
LOS ANGELES CALIFORNIA

Distributors of Ethical Products
for Professional Use

Shanghai Office: 506 Nanking Road—Telephones 98438-9
Hongkong Office: Room 2, 7th Floor, Pedder Building—Telephone 23518

Exclusive Sales Agents for China

NANYANG DISPENSARY

VITAMINS — MINERALS — DIETARY SUPPLEMENTS — SALVES — HORMONES

the result that a three month adjustment in salaries was agreed upon. Further information, nevertheless, is forthcoming to the effect that the authorities, with the convenient excuse of "huge expenditures" and other "difficulties" have been repeatedly carrying out their plans to decrease the salaries. Accordingly, the June subsidies were based on the May COL and a discount of 10 percent. July and August were also based on the previous months' index, with a discount of 20 percent. But the September subsidies were calculated on the July COL and a discount of 20 percent without a reduction. The authorities "pay less the better" policy is obviously affecting not only the stable living conditions of their employees but the progress of the Postal Department as well.

The chief hardship confronting the Post Office at present is its inability to adjust postage charges, which failure naturally has a detrimental affect on the budget. Had the Post Office been allowed to increase the cost of postage, it still would have needed a government subsidy of only CNC$7,000,000,000 instead of the customary CNC$16,100,000,000 to meet its current expenses. In order to increase the postage, the matter must first be examined by the National Government and then passed according to legislative procedure. But the authorities have declared the subject must be seriously considered as such a step might not help to "alleviate the people's sufferings." How much has the Government left undone to help "alleviate the people's sufferings?" The Government goes to "ridiculous" lengths to prevent an increase in the postage rate, but at the same time it fails to stop inflation, manipulation and corruption in its areas.

The Minister of Communications, Yu Ta-wei, once said of the Postal Department: "It is a good organization, employing comparatively less staff than the others, but its efficiency continues to improve. In such a case, its employees' salaries should at least enable them to have the necessities of life." The authorities should heed these words and seriously consider them when they begin to put their "reforms" into practice.

	No. of POs*	Employees
June, 1946	64,314	44,840
Jan., 1947	70,268	42,691
Increase:	5,954	Decrease: 2,149

* Including head, and sub-offices, branches and postal agencies.

	Letters Received	Postmen	Average Delivery
1945	591,977,000	8,614	68,700
1946	1,010,158,997	8,934	113,070

Employees' Fund

In addition to their fair salaries, the PO employees have a "GB" Fund. When one retires, resigns or is fired, he receives his share of the fund, calculated on his years of service. The fund pays at the rate of one month's salary for every year of employ. A man who has worked in the PO for 20 years, receives 20 months' salary, based on the current month's COL. This is the primary reason why the postal employees hold their posts so loyally and steadily, and naturally, is responsible for their "cultivated" and conservative characters.

In his report, "The Recent Progress of Postal Service," on March 20, 1947, the 51st anniversary of the PO, Minister Yu disclosed that despite various kinds of difficulties, the postal employees have been endeavoring to improve efficiency of the Postal administration. He gave statistics indicating the progress made up till January, 1947, (see box at top of page).

Conditions Reported

The Minister also reported the following information about postal employees' conditions:

(a) Employees have only one day off every two or three weeks.

(b) A postman's working hours frequently average 12 hours a day.

(c) Those employees who work in stations or on wharves, carry postal baggage regardless of the time or weather conditions.

(d) In every Post office in China, each employee is doing two or three men's work.

The Postal Employees' Union is regarded as the best organized in China, and has consistently concentrated its energies on gaining benefits for its members. Its main objectives at present, are to get reasonably adjusted salary rates and improve the employees' general welfare. In many districts, the PO has established supplementary schools, playgrounds, health stations, libraries and primary schools for employees' children, in addition to organizing sports and recreational activities.

The improvement of administration in rural districts is now the most important aim of the Post Office, as the rural areas occupy 90 percent of China's territory. However, it is an indisputable fact that very little constructive work can be done until the Civil War is brought to an end.

The COMMERCIAL PRESS Ltd.

Shanghai Sales Office and Lingsen Road Branch

Special Christmas & New Year Offer

LITTLE OXFORD DICTIONARY OF CURRENT ENGLISH

Third Edition Revised & Supplemented

CNC$130,000.— Special Offer: CNC$ 100,000.—

NEW BOOKS FROM ABROAD—Just Unpacked—

S. L. Pressey & Others: PSYCHOLOGY & THE NEW EDUCATIONS ..... 312,000.—

Max Weber: THE THEORY OF SOCIAL & ECONOMIC ORGANIZATION ..... 624,000.—

James F. Byrnes: SPEAKING FRANKLY .. 364,000.—

John Gunther: INSIDE U.S.A. ..... 520,000.—

(and also INSIDE ASIA & INSIDE EUROPE by the same author)

Sir George Thomson: THE ATOM, rev. & enl.ed. 130,000.—

Arnold J. Toynbee: A STUDY OF HISTORY 520,000.—

Edgar McInnis: THE WAR: FIRST, SECOND, THIRD, FOURTH, & SIXTH YEAR (6-vol-set) ..... 1,872,000.—

Upton Sinclair: PRESIDENTIAL MISSION 364,000.—

THE VIKING PORTABLES: RUSSIAN READER, JOHNSON & BOSWELL, CHEKHOW, & CONRAD ..... @ 208,000.—

Also Available:

PUBLICATIONS OF THE UNITED NATIONS, INTERNATIONAL COURT OF JUSTICE, & THE BRITISH COUNCIL

OTHER IMPORTED BOOKS ARE COMING. Write to us and we will put your name on our mailing list.

Catalogue & COMPRESS BOOKMAN sent free upon application.

(Price subject to change without notice.)

Indonesia's Future and the Chinese

Pao Tsu-yu

MUCH has been said about the so-called "atrocities" committed by the Indonesians against the Chinese in Indonesia, and to those who wish to take the press reports of such "atrocities" at their face value, the Indonesians must appear inhuman indeed.

However, during the second quarter of the present century, the world has witnessed a boom in propaganda of various calibers, so it may be assumed that onesided stories of the happenings in certain parts of the world are not likely to deceive the intelligence of the majority of people elsewhere.

That there have been "atrocities" committed against the Chinese, or any other race in Indonesia in the present unsettled condition, cannot be gainsaid. The seriousness of the "atrocities," however, can be minimized or exaggerated in accordance with the idea of those who wish to have them reported for foreign consumption. Having myself recently returned from Indonesia and thus enjoyed the opportunity to see the other side of the picture, I am in the position to state that the "atrocities" could have been worse under prevailing conditions.

Smoke Traceable

Everyone is familiar with the saying: There is no smoke without fire. Figuratively speaking, the atrocities committed by the Indonesians against the Chinese are but comparable to the smoke and, like smoke, are directly traceable to more harmful sources. In other words, only the blameful activities of the Chinese could have caused the equally blameful activities of the Indonesians.

Those who know the history of the Chinese in Indonesia and their attitude toward the native Indonesians are well aware of the fact that in the more important islands of Java and Sumatra the Chinese have long developed a superiority complex toward the natives. The well-to-do Chinese there are concerned solely about themselves, caring practically nothing for the welfare of the natives. They build nice homes for themselves, their womenfolk wear expensive jewelry and they ride around in swank motorcars. But they have omitted to organize charitable institutions for the poor natives or form associations that could foster Chinese-Indonesian understanding and mutual respect.

Throughout the present Dutch-Indonesian clashes, there have been innumerable instances where the Chinese have played the hypocrites' game to the Indonesians. They are more on the side of the Dutch, many of them preferring to be the stooges of the "rich" Dutch, rather than the friends of the poor Indonesians. On account of their ingrained feeling of superiority toward the Indonesians and their three-century old fear of the Dutch, they look upon the latter as their masters and upon the native Indonesians as their ex-servants and peddlars. They forget that the wealth of the Dutch was dug out from the soil of Indonesia and that the native Indonesians could also dig out wealth from their own soil if given the opportunity to do so. If the Chinese had remained absolutely neutral regardless of any development within any particular area, the "atrocities" against them would have been lessened if not altogether absent. Admittedly, long born grudges against the Chinese on the part of the liberal Indonesians as well as the extremists, have already grown too strong, and this fact, coupled with human imperfection, could not have eliminated looting or murder of Chinese homes and lives in times of disorder.

My personal advice to the Chinese in Indonesia is to realize that Indonesia belongs to the Indonesians, and so long as they wish to reside within that territory, they should consider the Indonesians as their hosts. The days of colonization are bound to pass, despite the contrary opinion of diehard colonizers. Even if the Dutch should gain mastery over the Indonesian movement, this would be but temporary and superficial in nature. The Chinese must choose between being the stooges of the Dutch or the guests of the Indonesians. As stooges, they are unwelcome to the Indonesians, but as guests of the latter, they should receive due courtesy from the Indonesian hosts when the time comes for the latter to be "at home."

It will do the Chinese no good to play a double game, particularly when this game means life or death to the Indonesians. No Chinese army, navy, or air force will bow the Indonesian heads, in the same manner as the Dutch army, navy, and air forces have not succeeded in coercing the Indonesians to give up their fight for independence. Appealing for military aid from China to "protect" them would not only worsen the feeling of the Indonesians against the Chinese, but the Dutch, on the other hand, would resent their apparent interference of Dutch "sovereign rights" and the belittling

FLOORS
renovated
by
Electric
Wiring &
Waxing

DIAL 12156
FESCO

of the latter's military or "policing" capabilities.

Any thoughtless action on the part of the Chinese could only be more disastrous to them. Is it not a fact that thousands of their forefathers were brutally slaughtered by the Dutch at the time when these foreign invaders wanted to subjugate the inhabitants of Java? The Kali Merah (Red River) in Batavia is no longer red with the blood of thousands of Chinese men, women, and children who were massacred by the Dutch, but the incident it derived from is not unknown to most Indonesian-born Chinese. Those who know this part of Java's history may say that such merciless slaughter of the Chinese by the Dutch happened in the 18th century. Wars, however, are similar in any century, and where "military necessity" furnishes a convenient excuse for looting, murder, and persecution, these things happen.

That the Indonesians are determined to shake off the Dutch shackles and that the Dutch are fighting a losing battle—morally and financially, if not militarily—is quite obvious to those who have been following the events in Indonesia before and since the Pacific War. Long before the occupation of Indonesia by the Japanese, Indonesian leaders with national aspirations had received all sorts of punishment from the Dutch, but instead of killing the nationalist aspirations, the Dutch have found them growing stronger and stronger. The recent flight of Dr. Sutan Sjahrir to America is ample proof of the Indonesian unwillingness to yield to force, and unless the Dutch give up their tactic of force, they will soon realize that they are riding the tiger.

Riding The Tiger

Should the Chinese help them off the tiger's back? This would shift the scene of fighting to between the Chinese and the tiger. The Dutch might then find themselves uncomfortable but they would at least have diverted the tiger's attention elsewhere. The late premier Colijn of the Netherlands publicly admitted that "The Indies (Indonesia) are the cork upon which Holland floats." If the Dutch wish to remain floating in troublous waters, then obviously the Chinese or the Indonesians, or both, may sink for all they care.

On the other hand, what advantage could the Chinese obtain in the event that the Indonesians regain complete independence? It is my belief that the position of the Chinese would then materially change. Whereas, in times of Dutch mastery, the Chinese served as middlemen between the Dutch and the native Indonesians, under Indonesian rule they could either serve as the direct merchants for China, or the middlemen for Indonesian-foreign trade. As soon as China has industrialized herself to an important extent, she should find eager consumers of her products among the newly prosperous Indonesians and the millions of Chinese in Indonesia.

Privileges that clash with Indonesian interests the Chinese cannot, of course, expect to receive from the Indonesian government. Without such privileges, however, they can still do much to build up Chinese-Indonesian trade, and those who would not fit into the change of environment should be free to return to their own country. Dual nationality being both harmful and confusing, the Indonesian-born Chinese should have the choice of remaining either Chinese nationals or Indonesian citizens. As Indonesian citizens, they should take oaths not to change their loyalty whenever and wherever it suits them. un-Indonesian activities should receive due punishment just as un-American activities are penalized in America.

As the Indonesian leaders have admitted that they would need outside help to run their government, it should be safe to assume that the new Indonesia will leave its doors open to friendly neighbors. China having but recently freed herself from foreign domination and arrogance, it should befit her sons in Indonesia to do away with their arrogant and selfish attitude toward the native Indonesians, and foster a lasting and mutually beneficial Chinese-Indonesian friendship.

OPEN LETTER TO MR. STANLEY HIGH

C. Q. Mun

DEAR Mr. High,

In the August issue of the *Reader's Digest*, of which you are one of the Roving Editors, appears your article—"Why We Must Modernize Our Immigration Policy." Twenty five years ago when the *Reader's Digest* first appeared it was just that—a digest. Then there was no need for a Letters to the Editor column, but now it prints original articles also, and some of them badly need answering.

It matters little to the world's millions whether or not you would like your minister to thunder from the pulpit about hell or damnation. Your religious convictions are your own concern. It is something between you and your church. A sweeping article on changes in US immigration policy is something entirely different. Your audience this time is no longer just interdenominational. It is as international as 12 editions of the *Reader's Digest* can make it. And more—to the millions of readers abroad, the *Digest*, more than any official broadcast, is the true Voice of America—a choir of voices, of which yours is one. But this time it sounds out of tune with the rest.

Yes, Mr. High, it is a privilege to enter the United States. You know it. The millions who have made a new life for themselves in the New World know it. The millions more who would like to, know it too. In spite of everything that has, is or may be said, they would not sell America short. But judging by your article *you* would.

What most other Americans proposing changes in immigration policy really want is to pare down the immigration quotas further. They are still too big for some people. The anxious millions waiting outside the door are not their concern. Perhaps you are an exception. Perhaps you really mean to make selectivity the basis of eligibility for immigration. But by the time the lawmakers would be through with the drafting this much is certain. Only a trickle of immigrants could even hope to apply. The trouble with would-be immigration policy reformers is that they have never known what it is like to feel helpless and hopeless, to strive to get another chance. Never experienced what it feels like to be stateless, a man without a country—a man unwanted, hammering and clawing at bolted doors. They have lost something. Something morally precious. Something defined by Rev. Paul Hutchinson, of the *Christian Herald*, as "magnanimity of soul."

I have not been with them in Dachau and Bergen-Belsen. I was not there when they waited for their turn to the gas ovens at Auschwitz, Maidanek and Treblinka. I cannot hold a brief for the DP's of Europe. I cannot know how bitter it must be, 800 odd days after Hitler and Mussolini are *kaput*, to be still in camps with nowhere to go. Yes, Mr. High, they *are* an international problem. But is the United States, which has so long stood for the highest ideals of humanity, going to wash its hands of them and others like them, and reinforce the door bolts? Were they, are they really, Mr. High, these people that Hitler set out to destroy, the dregs of Europe and the ghettoes as per claim of an over-zealous British lawyer defending a war criminal?

Before you try your hand again at attempting changes in the immigration laws of the United States, why not go out first to the Statue of Liberty and read again the noble

"A JOURNEY OF A THOUSAND MILES BEGAN WITH A SINGLE STEP"
LAO TZU

If this great philosopher were alive today he would say to his people FIRST BUY, then MAKE and, when your own wants are filled, SELL abroad MACHINE TOOLS—the MASTER TOOLS of INDUSTRY

For your machine tool requirements call

WILLIAM HUNT & CO.

Federal Inc., U.S.A.

1 Poo Too Road, NANKING
53 Foochow Road, SHANGHAI (O)
123 Hongkong & Shanghai Bank Bldg., HONGKONG

lines of Emma Lazarus—"Give me your tired, your poor, your huddled masses striving to be free . . ." You don't agree any longer, do you? Or these immortal lines from the American Declaration of independence—"All men are created equal . . . endowed....with certain inalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." Is the Spirit of 1776 still alive in 1947? Should it or should it no longer be one of the guiding principles of US immigration policy? Would you look at the other countries with their restrictions and obstacles, and then at the past immigration record of the US.

Time was when things were different. When the United States considered every man an equal with equal chances, and picked the brains and enterprise of the world. Who could tell then what the son or daughter of the Hungarian, the Italian, the Pole, the German, the Dutchman or the Jew would grow up to be?

There is a shortage of farm hands and domestics in the United States. You say, Mr. High, that you would like more farm workers and domestics to immigrate if others were banned entry? Or are they perchance the very people who don't somehow succeed in, as you write, "satisfy(ing) the consul, sometimes with faked affidavits, that he will not become a public charge?" If you still believe it is so easy to get by these men of the State Department, if you still believe it is as simple a matter as that of "first come, first served" it is time you tried applying for a visa or talk to some who did.

"Nor is there any way whereby those who do come can be directed into areas where their talents can be most usefully employed." There is a sentence like that in your article. Does it mean you would advocate that doctors seemingly fascinated by New York State be forcibly redirected to rural districts? Argentina, you say, is sending selected immigrants "to specific jobs which they will be required to keep for two years." Should the United States take a leaf out of Argentina's book, or should it follow the example of Soviet Russia where factory employees were not allowed to change jobs so as to reduce labor turnover?

It is not likely that a Roving Editor of the *Reader's Digest* would want to imply what you seem to be hinting at. But if you do mean just that, there are tens and hundreds of thousands who would be willing to do anything within reason, for two, five, maybe even 10 years, for the chance of getting into the USA. They would agree cheerfully, but is this a fitting course for a country where every man is as good as another and cannot be told what to do? Think again, Mr. High.

What you seem to suggest goes against the grain of private enterprise. It goes against the right of every man and woman, to make a place for himself or herself in the world, or at least try to. No citizen of the USA can be told what to do, or where to settle. He does what profits him most or what he most desires and settles wherever he pleases without let or hindrance. This has been and is the proudest boast of your country.

If there is a shortage of farm workers and domestics in the USA a few tens of thousands of immigrants are not going to solve the problem. No, not even a few hundred thousand. By the time the immigrants get their citizenship they can no longer be told what to do. The same deep-seated, long-range causes which made others leave would get them too. If there are not enough farm workers and domestics in the United States, clutching at the straw of directed immigrants will hardly help.

It is the brains, pluck and enterprise of the world, among other factors, that have made the USA what it is today. No sane American will deny that the United States is a BIG country with opportunities to spare. And yet some Americans are afraid of letting new blood and new brains come in. It is but natural that some safeguards be taken to keep out undesirables. They are being taken already. If there should be changes made they should be towards introducing an even more liberal and humanitarian approach. Are you, Mr. High, for stopping the flow of new blood? Are you afraid the USA is not big enough, that it lacks opportunities? If you are why not come out and say so? Why not come out and say that you want to sell America short?

JAVA-CHINA-JAPAN LIJN N.V.

Maintains fast passenger and cargo services to Hongkong, Manila, Singapore and N. E. I. ports.

General Agents in the Far East for:

HOLLAND - EAST ASIA LINE

Agents for:

Royal Packet Navigation Co. (K.P.M. Line)
Kerr Steamship Co., Inc. (Silverline Ltd.)
"Netherland Line" and "Rotterdam Lloyd" Royal Dutch Mails
Royal Netherlands Indies Airways (K.N.I.L.M.)
Royal Dutch Air Lines (K.L.M.)

JAVA - CHINA - JAPAN LINE
SHANGHAI AGENCY, LTD.
133 Szechuen Road (Central) - - Telephone 16247

Hard Time In Kaifeng

Hsieh Ching-an (謝靜安)

LIFE in Kaifeng these days is pretty hard as war-clouds are gathering more and more threateningly over this part of the country. Winter is setting in with biting, dust-laden winds blowing everywhere. Refugees flock to the city from the neighboring countryside and adjacent districts to look for shelter and food as the result of intensified fighting between the Nationalists and the Communists. This fighting has been particularly ferocious along the eastern section of the Lunghai Railway between Kaifeng and Hsuchow.

The majority of the refugees are plain country folk whose homes have been destroyed and whose property has been looted or confiscated. They managed to escape with their skin, and therefore they are shabbily dressed and penniless. Their miserable appearance defies description. Having no relatives in the city, they wander about shivering in the cold. Most of them have become beggars.

Clarification Needed

A large number of schoolteachers and students from the strife-torn districts also are sheltered in the city. They are in desperate straits. Because of the acute housing shortage, many "schools in exile" have not yet been able to find buildings in which to resume classes. Therefore, many students have been deprived of their right to receive education and they have to wait for a "clarification of the situation" before they return to their home towns. But God only knows when the situation will be clarified.

The sufferings of the refugees, however, have been alleviated to some extent by the distribution of relief supplies by UNRRA, CNRRA and M.C.C., China Unit. But it is to be regretted that the goods distributed by these philanthropic institutions fail to meet the actual needs of the people, with the result that a refugee is likely to sell what he receives and buy with the proceeds what he needs most. While a foreigner may consider milk an indispensable item in his daily menu and a woolen pullover a good chest-protector, a Chinese peasant thinks differently. He likes noodles and cotton-padded coats and coverlets much better. Many refugees express the hope that the relief agencies will in the future distribute wheat flour and cotton cloth instead of canned milk and discarded foreign clothes, because the former are of more practical use to them.

The average civil servant is in bad shape generally. It is he who is suffering both materially and mentally. After the outbreak of the Sino-Japanese War, many of them made the highly dangerous journey from Japanese-occupied territory to Free China to serve the Fatherland. After V-J Day, they managed to return to Honan in the hope of loading a better life. But now they are bitterly disillusioned.

It is common knowledge that it is extremely difficult for an ordinary law-abiding kung-wu1yuen (civil servant) to support his family on his scanty income. For a couple of dilapidated rooms, he has to pay a rental equivalent to the market price of two bags of wheat flour, thus consuming a good portion of his salary and leaving him very little to buy food and clothing for his family.

On top of this he has to pay his children's tuition fees if he wants them to be properly educated. He has to send gifts to his higher-ups on such occasions as birthday celebrations and wedding parties if he is to retain his rice bowl. His household budget provides nothing for amusement, additional clothing, newspapers or books. He manages to live from hand to mouth and has nothing to lay aside against a rainy day.

Unlike his superiors who are able to make big money by various means, the average civil servant is chained to his desk and performs his monotonous daily routine, unknown and unnoticed. Poor as he is, he is afraid of doing manual labor to make more money, because he is supposed to be an educated man and such work is beneath his dignity and pride.

Such being the case, it is hardly an exaggeration to say that a hard-working laborer is much better off these days than an unlucky kung-wu-yuan. The reason is not far to seek. The social position of a kung-wu-yuan prevents him from doing things which an ordinary laborer can do, although such work would mean better money.

Much blame for the present plight of the people in Kaifeng lies in the disruption of the Lunghai Railway, between Kaifeng and Hsuchow on the east and between Loyang and Tungkwan on the west. The cutting of the railway communications has made shipments of daily necessities extremely difficult in some places and utterly impossible in others. In addition, the shortage of coal has added to the difficulties. The Pu Lin Power Company has suspended operation and the whole city has been plunged into darkness.

Ever since the surrender of the Japanese, the ill-fated Lunghai Railway has been time and again torn to pieces. According to Deputy-Director Wu Shih-en, a 58-year-old engineer of nationwide fame, who has been in the railway service for 35 years, it will take billions of dollars and several months to have the Loyang-Tungwan section of the railway line repaired. At the same time the eastern section has been badly wrecked near Shanguchiu and Hsuchow.

There is no denying the fact that nothing short of immediate cessation of the Civil War can save the and prevent the country from drifting to its inevitable catastrophe.

CHINA ORTHOPEDIC INDUSTRY

Foot Arches, Hernia Trusses Artificial Limbs and all kind of Orthopedic Apparatus.

中國科學整形館

519 Chung Cheng Road (Central)
Tel. 73772

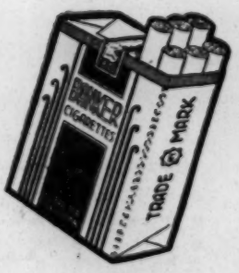
BANKER

CIGARETTES

A Merry X'mas

and

A Happy New Year



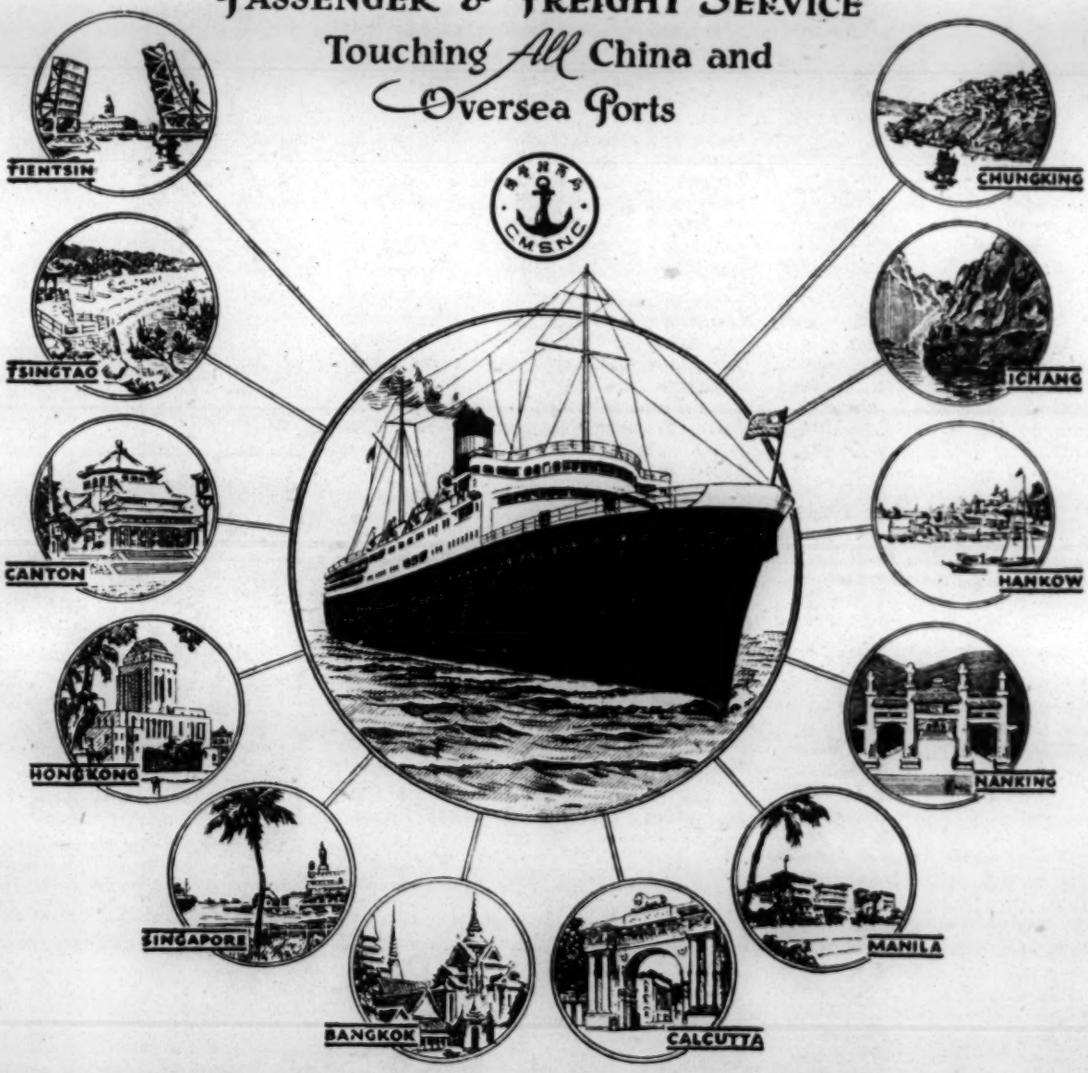
NANYANG BROS. TOBACCO CO., LTD.

國營招商局

China Merchants Steam Navigation Co.

Head Office: 20 Kwang Tung Road, Shanghai (O)
P. O. Box 1922 * Cable Address: "Merchants" * Telephone 196000 (Extension to all Depts.)

PASSENGER & FREIGHT SERVICE
Touching *All* China and Oversea Ports



BOOKING OFFICE: 110 SZECHUEN ROAD, TELEPHONE 19646
INQUIRY: TELEPHONE 14188

Coastal Ports			*River Ports*		*Oversea Ports*
• NINGPO	• SWATOW	• TIENTSIN	• NANKING	• HANKOW	• HAIPHONG
• WENCHOW	• HONGKONG	• DAIREN	• CHINKIANG	• SHASI	• MANILA
• FOOCHOW	• CANTON	• CHINWANGTAO	• WUHU	• ICHANG	• SINGAPORE
• KEELUNG	• HAICHOW	• HULUTAO	• ANKING	• WANHSIEN	• BANGKOK
• KAOYUNG	• TSINGTAO	• YINGKOW	• KIUKIANG	• CHUNGKING	• CALCUTTA
• AMOY	• CHEFOO		• CHANGSHA		• RANGOON

T. V. Soong Visits Hongkong

Wang Sze-zee

Hongkong, Dec. 2, 1947.

A couple of weeks ago, the pro-Kuomintang *Kung Shang Wan Pao* (Industrial and Commercial Evening Post) devoted a full page to a long story on the activities of Chinese democratic leaders in Hongkong. The article was provocatively and significantly entitled "The Center of Anti-Government Elements in Hongkong." The story did not have a single word to say about the activities of the Chinese Communists here. It contained many distortions and misinterpretations. What's worse, the writer of the said article simply put words of of his own into the mouths of the democratic leaders.

Democratic leaders in the British colony attached great importance to the article, which they considered as a prelude to impending repressive measures which the Chinese Government intends taking against Chinese leaders of the democratic movement in South China.

As everybody knows, there are two havens for hunted Chinese democrats in South China. They are Hongkong and Macao. But indications are that some dirty tricks are being planned behind the scenes.

One story has it that under strong pressure from the Chinese Government the Portuguese authorities in Macao have closed a secret political deal with the Chinese Government. It is said that T. V. Soong, Governor of Kwangtung, bluntly warned the Portuguese that unless they were ready to be "cooperative" and reasonable" the Chinese would tighten their blockade against Macao.

As a result, the Portuguese authorities knuckled under and agreed to hand over to the Chinese Government all Communists and Communist sympathizers living in Macao.

Therefore, Hongkong becomes the next objective of the Chinese Government authorities in their drive to suppress the democratic movement in South China. Rumors have been rife for some time that the Chinese Government has already asked the Hongkong Government to deport all Chinese democratic leaders, if if it is not willing to allow the Chinese Government to extradite them. Competent observers including officials of the Hongkong Government, however, did not believe that the Chinese Government authorities would be so tactless as to formally bring up the matter with the British authorities. One British official told a Chinese democratic leader that he did not think the Chinese authorities had approached the Hongkong Government, pointing out that to afford protection to political refugees is a long-established policy of the British Government. This is said to be well known to Nanking. In the opinion of the British official, the Chinese Government would not be so foolish as to ask the British to do the impossible.

However, well-informed circles stated that the Chinese Government is desirous of "improving its relations and cooperation with Hongkong." It is said that T. V. Soong had long intended to visit Hongkong to "talk things over" with the British, but failed to find a good chance. So he invited Lord Alexander Grantham, Governor of Hongkong, to visit Canton. Under the pretext of returning the governor's official call, T. V. Soong came to Hongkong a few days ago. It is generally believed here that T. V. played an active part in the current negotiations between the Chinese and Hongkong Governments for the conclusion of an economic agreement. A spokesman for the Hongkong Government denied rumors that the agreement would be made public in the first week of December.

Soong Meets Marshall Li

People in Hongkong were surprised to learn that T. V. Soong should have met Marshal Li Chi-sen, veteran Kuomintang leader, and now hotly denounced as arch-enemy of the Nanking regime. According to "insiders," the meeting was deliberately arranged at the suggestion of T. V. A mutual friend invited T. V. and Marshal Li to dinner and there they met and had a "pleasant chat."

It was revealed that in the course of their conversation, the Kwangtung governor asked the marshal to state his views on the current situation in China. In reply, Marshal Li said that runaway inflation and indiscriminate imposition of illegal taxes are the basic causes for the present mess in China. Marshal Li particularly stressed the point that the Chinese people are sick of war and want peace. The only solution for the China problem, Marshal Li said, lies in a radical change in the policies of the Nanking Government.

T. V. was reported to have promised to transmit the Marshal's views to Nanking for consideration and expressed the hope that Marshal Li would be good enough to give him a helping hand in post-war rehabilitation and reconstruction in Kwangtung.

The British authorities are reported to feel extremely perplexed at this "dramatic development." On the one land, Marshal Li is still being called an enemy of Nanking. And yet, T. V. asked him for his advice. God knows what will come to pass, they said.

Hongkong Edition

A local paper reported that the *Ta Kung Pao* is making arrangements for issuing a Hongkong edition in the near future. This report is highly interesting. Some observers say that the *Ta Kung Pao* is arranging for a retreat in case it should be necessary. Others stated that the Nanking authorities wanted the paper to publish an edition in Hongkong to help the Government combat anti-Government propaganda in Hongkong and in the South Seas.

The publication of the Hongkong edition is reported to have been discussed in Nanking by Mr. Hu Lin, manager of the paper, and President Chiang Kai-shek. A representative of the paper is reported to have arrived in Hongkong secretly to make an on the spot survey.

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

Keep Abreast Of Events... Subscribe To

THE CHINA WEEKLY REVIEW

A Weekly Newspaper Established in 1917

The leading English-language weekly in the Orient since 1917. Independent editorials coupled with a wide variety of articles from *Review* correspondents today keep the Review ahead—both in reader-interest and circulation.

Fill in the blank below today.

THE CHINA WEEKLY REVIEW,
160 Chung Cheng Road,
Shanghai (O), China.
Please enroll me as a subscriber for .....months, for which I am remitting ..... herewith.

Name:.....

Street:.....

City:.....
(See subscription rates below Index)

Revival Of World Cartels?

J. R. Kaim

SOME days ago, the steel production figure in all four German occupation zones was increased substantially. The chemical output in the American and British zones has also been fixed at a considerably higher level this year. There has been hardly any opposition to these moves in either the United States or Britain. Observers in various countries, therefore, believe that international cartel agreements are again in the making, providing their interruption during the war was actually true and not fictitious.

This year, a 530-page book on "Cartels In Action," a study in international business diplomacy has been published in New York by The Twentieth Century Fund. With the assistance of Alfred E. Kahn and Gertrude Oxenfeldt, authors George W. Stocking and Myron W. Watkins have collected a tremendous amount of material on the activities of international cartels in the fields of sugar, rubber, nitrogen, steel, chemicals, lamps, aluminium and magnesium. With the book itself, the *Review* will deal in a special article; today, it may suffice to say that in spite of a few minor errors this writer detected—small wonder there should be a few mistakes in so complicated a work—authors Stocking and Watkins have done a splendid job. Several of the points mentioned below are based on or taken from their book.

Based On Facts

At the same time it may be mentioned that some observers recently uttered doubts as to the actual disappearance of cartels, or rather cartel-solidarity, during and because of the war; they could find quite interesting information in this respect in "Cartels In Action." Basing their statements on facts and quoting from numerous sources, authors Stocking and Watkins make it clear, for instance, that neither the German I. G. Farben Trust nor the Japanese Mitsui concern "declared war" on the American and British industries. Both sides merely "suspended" their collaboration, and the general understanding was that they would take up again at the close of the war where they had left off, in an atmosphere of mutual cooperation. In numerous cases, it is explained, American suppliers, after the outbreak of World War II, awaited permission from their cartel partners abroad before shipping to markets which the latter could no longer supply, and it is even said that "in some cases the American companies used the familiar German packages and trademarks to preserve customer good-will for the German products."

In this latter case, it must be said, views are divergent. Some people believe that German trademarks were used, not with a view to preserving customer good-will, but rather as a good opportunity. It appears to be true, on the other hand, that American and German companies assigned to each other patent rights each owned in the other's country, in an attempt to carry out the spirit of prewar agreements, and to avoid confiscation of patents because of their ownership by enemy nationals.

One might say that just as two private persons may remain friends although their respective countries are fighting each other, business men may also maintain that political struggles are out of their sphere, and that all they are interested in is business and the carrying out of agreements in the interest of both private parties. Unfortunately, however, such a naive conception is misleading. Big cartels were closely connected with war preparations. Business in death has always been first-class. Nowhere and at no time was co-operation between a war-

MONTHS of TEDIOUS TRAVEL reduced to— ONE DAY!

MANY of China's far spread millions have come to regard Aviation as their best trusted Medium of transportation for travel and communication.

The C.A.T.C. has been instrumental in bridging the vast expanse between China's provinces and bringing remote cities within a single day's travelling distance.

SCHEDULED ROUTES:

Shanghai to Nanking, Hankow, Chungking, Chengtu, Kunming, Sian, Lanchow, Tihwa, Tsingtao, Tsinan, Foochow, Nanchang, Peiping, Amoy, Canton, Hongkong, with stops at all principal cities along the main routes.

Central Air Transport Corporation

BOOKING OFFICE, ASTOR HOUSE BLDG.
2 TA MING ROAD TELS. 40499, 44116

BIG DENOMINATION NOTES

This cartoon, reprinted from the *Chien Yien Pao*, satirizes the issuance of large denomination notes. At the left, dwarfing—for the time being—the others, is the CGU5,000 note which equals CNC$-100,000. Next is the gold bar, in the shape of the traditional gold tael. Next is the US dollar which is followed by rice and other commodities.

preparing government and a nation's industries closer than in Nazi Germany.

Number One Source

The same steel industry whose output has just been increased substantially, used to be Hitler's Number One source of finance. Fritz Thyssen, great German steel magnate, paid tremendous amounts of money; later, far too late, indeed, he changed his mind, left Germany and tried to struggle against Hitler. But in his book 'I Paid Hitler" (New York, 1941) he explains at least part of the scheme, while other parts have been revealed in the various Nuremberg processes.

Dr. Vogler, chairman of the Vereinigte Stahlwerke, another of the giant German steel combines—in fact a combination of combines—was enthusiastic: he and his co-operators spent millions and millions of marks for the National-Socialist regime, while at the same time they lead the International Steel Cartel, (of which, however, several American producers were not members).

International cartels, indeed, have not only controlled markets and stipulated prices. In many cases, they have had political aims. American industries, it has been explained, suffered from the German I.G.'s tactics to retard American chemical developments. "I.G."—Stocking and Watkins show—"frequently cited its commitments to Du Pont as a ground for blocking developmental programs of its other American partners. At other times it blocked Du Pont's efforts to go ahead in other fields, using its commitments to other companies as a reason."

If indeed, as many believe, we are again on the verge of huge international cartel diplomacy, such secret behind-the-curtain policy will certainly do the world more harm than good. The complicated network of agreements, sub-agreements, contracts and pools has occasionally put into the hands of a few men more power than is given to any political personality in the world. But while the political exponent is considered responsible, international trusts and cartels can hardly be called to account.

(to be concluded next week)

The Week's Business

BUSINESS during the week under review (Thursday to Wednesday) was impressed by an extreme tightness on the money market; while the private ("black") interest rate went up to 29 percent per month—a new record—commodity prices went on the speculative textile wholesale markets, but failed to decline on the retail market.

Simultaneously, contradictory news as to forthcoming American aid to China resulted in extremely erratic trading on and outside the Stock Exchange, where stock gained drastically at the beginning of this week but lost on Tuesday and Wednesday. While no further interference by the police force was reported, operators obviously were short of cash and obliged to sell short. Evidently, they had no money for any black activities either; the tight money market, thus, also impressed black market activities.

On the other hand, wholesale prices were still considered too high to permit large-scale export transactions. A new readjustment of foreign exchange rates, though predicted during the past week, failed to materialize by the middle of this week. The result was that manufacturers were not too eager to sell at their old prices, and exporters, therefore, had few goods to offer abroad. Shipments are believed to have declined last week, in quantity as well as value.

Although reports from Hongkong indicated recently that the value of the Chinese yuan had improved a little, the gap between the official Chinese exchange rates and black market rates of foreign exchange, paid in Hongkong and Macao, remained big enough to attract clandestine exporters. It was believed, therefore, that unlike legitimate exports, clandestine shipments have been quite considerable during the days under review.

On the other hand, governmental control on the black gold market is believed to have won a battle not fought on Chinese territory: news from Macao to the effect that new taxes and licence charges have been introduced is believed to have impressed Chinese black market operators, while at the same time interest in "not quite legal" gold trading in Manila appears to have declined, too.

On the whole, all sectors of the Shanghai market have been erratic and irregular with operators, mostly short of cash, trying to stick to a wait-and-see policy. It is still an open question, however, for how long the majority of dealers and traders will be in a position to do so.

SHANGHAI MARKET

MONEY MARKET

The money market was tight during the week ending December 13, as the Government banks called in CNC$628,-250,000,000. in order to create a tight money situation and press down commodity prices following the issuance of big denomination notes. The foreign banks called in as much as CNC$327,-370,000,000. Black market interest rate reached 25 percent.

FOREIGN EXCHANGE

The open market rate of foreign exchange remained unchanged during the week, being CNC$73,000 to US$1. However, rumors were circulated to the effect that the rate would soon be raised to CNC$120,000 to US$1.

STOCKS & SHARES

The stock market was comparatively active during the week, with quotations increased as shown below:

	Dec. 6 CNC$	Dec. 13 CNC$
Wing On Textile	377	442
Mayar Silk	507	590
Ewo Cotton 360,000		415,000
Bond C 25,000		27,800

RICE & CEREALS

Because of the issuance of big denomination notes, prices for rice and wheat flour increased to new high records during the week, despite the report that the Government will import 300,000 piculs of rice this month.

	Dec. 6 CNC$	Dec. 13 CNC$
Rice	730,000	890,000
Wheat flour	283,000	342,000
Peanut oil 1,850,000		2,250,000

COMMODITIES

Commodities in general increased only slightly owing to the tight money situation caused by the government banks. The undertone, however, was firm.

	Dec. 6 CNC$	Dec. 13 CNC$
Raw silk 86,000,000		94,000,000
Rayon 98,000,000		95,500,000
20's Yarn 30,000,000		32,000,000
RQ Cigarettes...	255,000	262,000
MD Matches	6,350,000	6,850,000
Newsprint	1,200,000	1,350,000

COMMODITY PRICE INDEX

The wholesale commodity price index for Shanghai for the week ending December 13, as compiled by the China Institute of Economics, increased 6.8 percent when compared with the previous week as shown below:

	Indices	Percentage of Increase over previous week
General Index....132,058		6.8
Group Indices:		
Food	83,962	8.6
Textiles 127,075		6.0
Metals 210,733		5.3
Construction Materials ...145,718		11.6
Chemicals 318,236		3.5
Fuel 168,438		3.1
Miscellaneous ..123,995		3.3

A. P. Pattison & Co.

FEDERAL INCORPORATED U.S.A.

SHANGHAI

IMPORTERS & EXPORTERS

A. P. Pattison & Co. (Formosa)

FEDERAL INCORPORATED U.S.A.

MERCHANTS & STEAMSHIP AGENTS

TAIPEH and KEELUNG

Agents

ISBRANDTSEN LINE

Isbrandtsen Company Inc., New York

Regular Express Steamer Service To the U.S. and Europe

9 QUAI DE FRANCE, SHANGHAI

Cable Address: "Polaris Shanghai," All Codes Used

The Review's English Lesson—X

SPEAKING OF AMERICAN POLITICAL PARTIES

THE article that we study in this lesson deals with recent state and city elections in many parts of the United States. These elections are being observed very closely at this time because people hope to discover from them how certain parts of the country will vote in 1948 for the next President and many members of the National Congress.

As you will see from reading this article, the elections just held in November are very mixed in result, so that it is not possible now to predict which side will win in 1948.

Because this article has so many slang terms and idioms of speech, you will get a rich harvest by reading it carefully. However, see how many terms you can understand before reading the explanation that follows.

Kentucky (1)—No Straws (2)
(Adapted from *TIME* Magazine, November 17, 1947, p. 8)

"WITH 1948 **firmly in mind** (3), leaders of both major parties **cocked** (4) a hopeful eye toward last week's elections. The Democrats, still **smarting from** (5) their 1946 **walloping** (6), were quick to see the beginning of a Democratic **boom** (7) in the election of Earle C. Clements as governor of Kentucky. The Republicans **counter-shouted** (8) that throughout the nation they **had held the line** (9) and **consolidated last year's gains** (10). The plain facts of local politics deflated the boastful claims of both sides.

"Had the Republicans won again this year in Kentucky, it would have been **a horse of another color** (11). For the Democrats, the victory, while comforting, was **nothing to get cocky about** (12).

"Elsewhere election results **added up to** (13) no trends. Of three **Congressional seats** (14), the **G.O.P.** (15) filled vacancies in **Ohio** (1), and **Indiana** (1) which had been previously held by Republicans, and in **New York** (1) the Democrats kept control of the 14th District. Thousands of state legislature and city elections **seesawed** (16) **to a near tie** (17), with **a slight edge** (18) for the Democrats who showed gains in **Indiana** (1), **Pennsylvania** (1), and **New York** (1).

"Two conclusions could fairly be drawn from last week's vote: (a) the race for 1948 **is wide open** (19), and neither Republicans nor Democrats are in a position **to coast** (20); (b) the politicians who **trumpet about** (21) national trends are only **talking politics** (22)."

---

1. Names of various states in the United States of America.

2. "No advance signs". This expression is shortened from a longer phrase, "a straw in the wind", to give the idea of someone holding up a piece of straw or grass in order to see from what direction the wind is blowing. The full expression is very common and useful in politics.

3. "well remembered".

4. "pointed" or "aimed".

5. "suffering from" or "upset from".

6. (Slang) "defeat".

7. "a rise" or "strong movement". This word is very commonly used to describe a great and sudden increase in business, but it is not used in serious political writing.

8. "replied loudly".

9. "maintained their position". "To hold the line" comes from the sport of American football where two teams face each other as two lines of men. It means to keep the other team from advancing into the area so held. This expression has now become very common in American business, especially in talking of resisting price and wage increases.

10. "strengthened the position they gained last year". A military expression now used here in a political sense.

11. (Slang) "a fact with a different meaning".

12. (Slang) "nothing to feel proud about", since a "cock"—a male chicken—is considered to be a proud bird.

13. "indicated" or "amounted to".

14. "places in Congress".

15. "Grand Old Party," another name for the Republican Party of the US.

16, 17. "went up and down to an approximate balance". A "seesaw" is a play device on which two children sit facing each on opposite ends of a board resting on a central balancing point several feet off the ground. By using their weight, the children alternate in rising and falling, so that when one goes down, the other goes up on the other end.

18. "a slight advantage or gain".

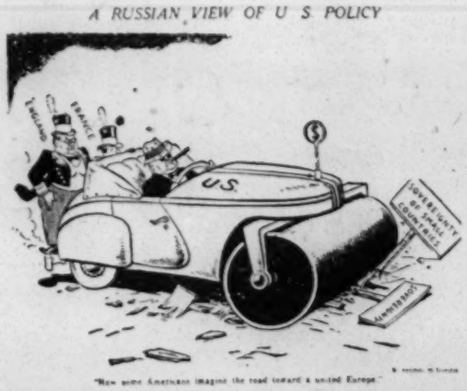
19. "is not settled".

20. "to stop trying".

21. "speak loudly or make a great noise about". Compare (吹鼓).

22. "talking in order to achieve some political result".

A RUSSIAN VIEW OF U. S. POLICY



"How many Americans imagine the road toward a united Europe"

美孚公司

Mei Foo Kung Ssu

STANDARD-VACUUM OIL CO.

Cable Address: "STANDVAC" Telephone 12487

HEAD OFFICE
94 CANTON ROAD,
SHANGHAI (O).

BRANCHES IN ALL PRINCIPAL CITIES OF CHINA

PRODUCERS, REFINERS AND MARKETERS
OF PETROLEUM PRODUCTS

Correct Lubrication For All Machinery,

Industrial:—
Air Tools, Cement Mills, Compressors, Conveyors, Cranes, Crushers, Diesels, Electric Motors, Elevators, Fans, Gears, Paper Mills, Pumps, Railroad Equipment, Rubber Mills, Steam Engines, Turbines, Woodworking, Etc.

Marine:—
Diesel and Steam Engines, Turbines, and Deck Equipment.

Automotive:—
Gasoline and Diesel Powered Vehicles.

Fuels:—
Diesel and Fuel Oils, Gasoline, Kerosene.

Process Products:—
Cosmetic and Insecticide Base Oils, Petroleum Alcohols, Naphtha Solvents, Wetting and Drying Agents, Microcrystalline and Paraffine Waxes and Enamels.

What U.S. Papers Say . . .

AID for China and US trade with Soviet Russia were vehemently debated in American newspapers last week. The US proposal for a world bill of rights was generally praised.

* * *

China

THE *St. Louis Post-Dispatch* expressed itself strongly against any aid for Nanking. "Chiang Kai-shek's Government has two propaganda tunes which it invariably plays when it is trying to scare or coax—or both—more money out of the US Government. The first is that, given cash, it can whip the Chinese Communists within a short while. The second is that, not given cash, it cannot carry on.

"Chiang is now trying to get money from the United States, and tune two is being played from Nanking. It is being played with extraordinary urgency, perhaps because, for one thing, the American people have become extraordinarily tired of pouring millions into a corrupt government that has done nothing worth mentioning toward cleaning itself.

"The Nationalist Government does not deserve unconditional aid from the United States. It is a one-party dictatorship, oppressive grafting and medieval. It has accepted American aid time after time on condition that it make itself fit to govern, and time after time it has violated the condition.

After years of broken promises for reform, it now tells us that it will not promise to reform, that we must support it as it is. Why shouldn't we reply: 'Earn our support or forfeit it?'"

The *Des Moines Register-Tribune* expressed doubt as to the real motives of some advocates for more aid for China. "From a number of persons recently have come expressions of concern about China. These include Secretary Marshall, Governor Dewy, and a strong group within the Lower House. These join a larger group such as Henry Luce, Walter Judd, William Bullitt, and General MacArthur, who persistently have urged stronger support to Nanking.

"Doubtless the motives of these persons vary. Some are sincerely convinced of the wisdom of allying ourselves with the Chinese Nationalists. Others are merely trying to rock the boat of aid to Europe."

The *Christian Science Monitor* regarded the aid-China program as a political deal between the Democrats and Republicans.

"Top Republican leaders admit privately that the US$60,000,000, proposed in the House for China, is merely a symbolic token. They do not pretend that it can make any real difference in China. But they are for it. That's the price for more votes for the Marshal Plan, and the Democratic leadership says 'amen' to that."

* * *

US-Soviet Trade

EDITORIAL opinion in American newspapers was sharply divided on the question as to whether the United States should stop exports to Soviet Russia as proposed by Mr. Harold E. Stassen, in a telegram addressed to President Harry S. Truman.

Papers opposing trade with Russia argued that it would help to build up Communist trade at a time when the United States was opposing Communist expansion through a revival of European economy. Typical of many, the *St. Post-Dispatch* said:

"It will be hard for the American people to see anything but nonsense in building up, with US sanction, the potential war power of a nation which the United States has declared a menace to its security. We would like to see Congress give earnest attention to the proposal of Representative Rogers to embargo shipments of oil, steel and other war materials to the Soviet Union."

The *Philadelphia Bulletin* said an embargo would be equivalent to a declaration of economic warfare and would invite reprisals from the Soviet and its satellites. 'Probably the first step would be the stopping of shipments of coal and food from Eastern Europe. That would radically alter the calculations on which expert estimates of the Marshall Plans' costs rest.

The *Dallas News* pointed out that US foreign policy has been aimed at a revival of world trade, and that it would be inconsistent with these principles to refuse legitimate trade with Soviet Russia.

* * *

Bill Of Rights

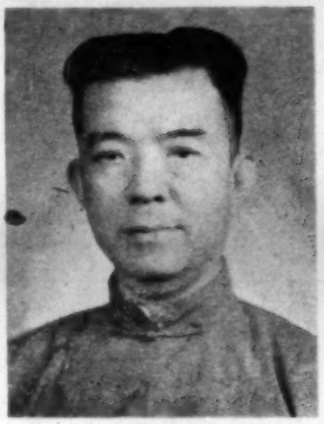
THE proposal for a world bill of rights which the US delegation is going to present to the UN Commission on Human Rights at Geneva was hailed by American papers as a set of ideals toward which the nations of the world might aim, rather than a list of already established guarantees.

The *Washington Post* said: "Moral rights are worth expressing, even though the means are not available to guarantee them. Ultimately indeed, it can be only through an acceptance of common values that the world will find enduring peace."

The *New York Times* expressed regret that "the United States is not today fully living up to all these principles. There are unwarranted discriminations; there are unlawful barriers against voting; fair trial is not always given. But most of us have a clear conscience about such lapses and try to prevent or end them. This definitely, is what we in this country mean by democracy."

Who's Who in China

TSO SHUN-SHENG, a leader of the Young China Party, member of the Executive Yuan and Minister of Agriculture & Forestry; born in Changsha, Hunan, 1893; graduated with B.A. from L'Uni-



(左舜生)

Tso Shun-sheng,

versite L'Aurore, Shanghai, 1905; studied in L'Universite de Paris, France, 1926-28; editor-in-chief at Chung Hua Book Co., Shanghai, for 10 years; professor of history at Futan University and Great China University, 1930-35; taught in the Central Political Institute, 1935-40; member of the National Defense Assembly, 1937; councillor of the People's Political Council since 1938; Minister of Agriculture & Forestry after the reorganization of the Government, 1947; author of "Collection of material on Chinese history during 19th century" (Chung Hua Book Co. 1925, Shanghai), "History of the National Revolution" (Chi Ming Book Co., 1929, Shanghai), and "The New History of France" (1929, Shanghai); publisher of *Shan Kiang Daily* (1930, Shanghai), *New China Daily* (1939, Chengtu), and *The China Times* since 1946, Shanghai; address: Ministry of Agriculture & Forestry.

The introduction of a new currency in China before the end of February, 1948, was reported from Nanking. Reserves needed for the issuance of the new currency have been estimated at US$300,000,000, half of which will come from gold and silver bullion in the national treasury, while the other half will be derived from the sale of such state-owned enterprises as the China Textile Industries Inc., and the China Silk Co., the *Fei Pao* said recently.

* * *

During the six months from May to October of this year, 2512 cases of smuggling by land, sea and air were discovered by the customs authorities in Canton. The smuggled goods, valued at over CNC$20,000,000,000, consisted mainly of unlicensed imports and goods prohibited from importation, the *Financial Daily* reported.

* * *

After lengthy discussions among Japanese cabinet ministers and Japanese government officials and SCAP, the exchange rate between the US dollar and the Japanese yen will most likely be fixed at 174 yen to US$1, and will be announced before the end of this year, according to reports in the Japanese press, the *Financial Daily* said.

A B C

for QUALITY *and* SERVICE

High Quality A. B. C. Underwear
Children's Suits and Overalls

ADA SHIRTS *And* BOB SHOES

A. B. C. UNDERWEAR CO.

562 Nanking Road Telephone 91065

HIGH QUALITY PETROLEUM PRODUCTS

•

CATHAY OIL COMPANY

Federal Inc., U.S.A.

51 Canton Road

Telephone No. 15022

What Chinese Papers Say

THE current military situation and the issue of big-denomination notes were widely discussed in editorials in Chinese newspapers last week. The *Ta Kung Pao* expressed the opinion that Japan is on the road to tragedy.

* * *

Military Situation

THE official Kuomintang organ *Chung Yang Jih Pao*, painted a rosy picture of the current military situation and predicted that banditry in China would be eliminated "in due course."

"Looking at the bandit-suppression campaign as a whole," the paper said, "one can see that there are four main battlefields, namely, the Northeast, the Northwest, North China and Central China. It is apparent that Government forces have given priority to the task of clearing Central China of bandits, thus consolidating their position in North China. Having lost their vital sources of supply of manpower and foodstuffs as the result of serious reverses in Shantung and Northern Kiangsu, the Chinese Communists are obviously making use of the Hopei plains and the highlands of Shansi as their main bases of operations. Hence, bandit-suppression in North China is an important part of the work of exterminating the Communist bandits in China Proper.

"Looking at the present military situation as a whole, we are more firmly convinced than ever before that the quelling of Communist rebellions will prove a big success. Although the campaign in Central China has only just begun, the bandits under Liu Po-cheng have already been surrounded and are being annihilated. We believe that with the satisfactory progress of the bandit-suppression campaign, in coordination with political reforms and with the assistance of the local self-defense corps, it will not be difficult to remove the bandit trouble in due course."

The *Tung Nan Jih Pao*, however, warned against over-optimism: "The battle of annihilation around Tapiehshan has only just begun, and yet it is already drawing to a close. When the Government forces adopted the strategy of attacking the enemy in different columns at the same time, it was generally expected that stiff fighting would be unavoidable in view of the fact that Liu Po-cheng claimed to have under him 100,000 men. However, things have not turned out that way. The Communists were too clever to risk any standing-up battle with strong government forces. Therefore, the Government forces have failed to fight a decisive battle with the Reds. This fact is rather disappointing. We should not be too optimistic about the military situation in Central China.

"We wish to call the attention of the Government and the people to the fact that the present bandit-suppression campaign cannot be brought to a successful conclusion by military means alone. We may be able to drive Liu Po-cheng's forces from Tapiehshan, but the Communist raiders will probably escape to any part of Central China they think fit. . . .

"In many places, especially in the newly-recovered districts, civil administration is lagging behind the military effort. It is clear that the Government has won the military battle but lost the political battle. This is a very serious crisis at the present time and must not be overlooked."

The *Chung Hwa Shih Pao*, mouthpiece of the Young China Party, also stressed the political aspect of the bandit-suppression campaign.

"We have more than once pointed out that in order to win the goodwill of the people, the Government must first of all reduce the people's burden, particularly the burden on the shoulders of the Chinese farmer. Today 60 or even 70 percent of the fruits of the farmer's labor is taken away by the Government under various pretexts. As a result, the farmer is facing starvation and death. Therefore, if anyone tries to rally him under the banner of revolution, he is ready to join.

"Today, the Chinese Government is doing everything in its power to obtain loans from the United States, but refuses to make use of the foreign exchange holdings of Chinese nationals in the United States. This makes people doubtful whether the Government is sincere in stamping out the Communist rebellion. If the Government really has strong determination, it should use the above-mentioned foreign exchange holdings without any hesitation . . . Then the people will feel pleased. They will change their attitude of indifference and cooperate with the Government."

* * *

Big Notes

THE *Chin Yung Jih Pao* argued that the issue of big notes was unlikely to affect the price market and that there was no cause for worry.

"The problem of big denomination bills has arisen from inflation and advance in commodity prices. During the past two years the issue of big notes has always scared the people and has been used by speculators as a pretext for boosting up the prices. In fact, this has been due to certain misconceptions. First, the issue of big notes is wrongly considered an increase in the note issue. Secondly, the public only considers the face value of the bill without taking the trouble to find out its actual purchasing power. Thirdly, the public generally takes it for granted that the issue of big notes is the signal for violent price fluctuations.

"But if we think the matter over more carefully, these misconceptions can be corrected . . . It is the duty of every citizen to help the Government fight inflation. From now on, we must not entertain any more wrong notions regarding the issuance of big bills, for this will certainly lead to confusion and to a further intensification of the economic crisis."

The *Lih Pao* refuted the explanation of certain economists that the issuance of big bills is not the cause, but the effect, of price upheavals.

"Common sense tells us that the main cause of the rise in commodity prices has been inflation. As everybody knows, the issue of big notes is an inevitable measure of inflation. It will deceive no one to say that the issue of big bills is necessary because of the rise in the price of paper or because the amount of bills issued can thus be reduced.

"Since the Government has repeatedly stressed that we should achieve national regeneration by our own efforts, it is to be hoped that the financial and economic measures which the Government has taken, or is going to take, will keep in line with this principle. Economists should understand that it is their duty to tell the truth and serve the people. They should not make highly absurd statements in the interest of a certain group of people against their own conscience."

* * *

Tragedy In Japan

RECENT political developments in Japanese politics seem to indicate that Japan is going to the dogs, the *Ta Kung Pao* stated editorially.

"The Katayama Cabinet is facing increasing difficulties, a fact which indicates that Japanese politics are turning to the right and that Japan is on the road to a terrible tragedy."

"The objective conditions are fixed and there can be no change in the way in which the United States is running the Japanese show. The basic fact is that the United States wants to use Japan as an anti-Soviet base. It is for this reason that major Japanese war criminals have been released from prison. It is for the same reason that 54 American diplomats have jointly addressed a letter to Allied Tribunal, defending Shigemitsu. The United States has asked the Far Eastern Commission to postpone the dissolution of the Japanese Zaibatsu and has proposed to cut down the amount of Japanese reparations.

"Naturally, Japan has been pleasantly surprised at this unexpected favor and is availing herself of this opportunity to achieve national regeneration so as to re-establish the Japanese Empire.

"The rightist elements in Japan know how to utilize the opportunity to overthrow the Katayama Cabinet and establish a reactionary regime to America's liking. They are doing their best to stir up trouble between the United States and the Soviet Union, for they see in it the only chance for Japan's rejuvenation. All this shows that Japan is being encouraged to plunge into another military adventure. This will be a tragedy."

'Jeep'

PARTS SERVICE

Fu Chung CORPORATION (CHINA) LTD.

SOLE DISTRIBUTORS FOR CHINA & HONGKONG

OF

WILLYS-OVERLAND MOTORS INC.

2 Mowming Road

TELEPHONE 13007
SHANGHAI

With Compliments

大中華火柴公司

The China Match Co., Ltd.

33 Szechuen Road, Shanghai

Telephone 15253

Keep your car fit with ★★★

MARFAK

Lubrication

COMPLETE MARFAK LUBRICATION

CAN BE OBTAINED IN SHANGHAI

AT THE FOLLOWING

CALTEX SERVICE STATIONS

CALTEX

REG. T.M.

•	1052 BUBBLING WELL ROAD	TEL. 36361
•	786 AVENUE JOFFRE	TEL. 68936
•	363 AVE DU ROI ALBERT	TEL. 73673
•	668 AVENUE FOCH	TEL. 66075
•	240 HONAN ROAD	TEL. 14868
•	1861 RUE PROSPER PARIS	TEL. 68849
•	990 BROADWAY EAST	TEL. 53284
•	942 YU YUEN ROAD	— —

THE TEXAS CO. (CHINA) LTD.

WHEELOCK BLDG. SHANGHAI

WINGS over CHINA...

Day after day, **CNAC Air Cruisers** fly Passengers, freight and mail to China's distant trading centers covering a daily average of 15.000 miles.

Remote corners of the Republic, almost inaccessible by other means, are reached by CNAC's air liners in a matter of hours.

After 18 years of experience CNAC—today China's leading airline—offers you the most modern means of transportation.

CNAC

The Pioneer Airline of the Orient

FLYING TIME FROM SHANGHAI:

to NANKING	1 hr. 20 min.
to TAIPEH	3 hrs. 10 min.
to CHUNGKING	6 hrs. 05 min.
to PEIPING	3 hrs. 50 min.
to TSINGTAO	2 hrs. 15 min.
to HANKOW	3 hrs. 30 min.
to SIAN	4 hrs. 40 min.

For Bookings Please Call

China National Aviation Corporation

20 Nanking Road (East), 8 Sassoon House Tel. 15757

DESIGN AND LAYOUT BY YARON STUDIOS 1947.

Printed by THE MERCURY PRESS